

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE
East Los Angeles College
Administration Building – G1-301 A/B
1301 Avenida Cesar Chavez
Monterey Park, CA 91754
Wednesday, March 7, 2012
10:45 a.m. – 12:15 p.m.**

Committee: Scott J. Svonkin, Chair, and Steve Veres. Absent: Nancy Pearlman (arrived at 10:52 a.m.)

Trustee Svonkin called the meeting to order at 10:48 a.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS

2011-12 Second Quarter Financial Status Report

A document entitled “2011-2012 2nd Quarter Status Report and 2012-2013 Budget Planning” was distributed.

Ms. Jeanette Gordon discussed the document with respect to the State Budget Update, 2011-2012 Year, Additional \$179 million Projected Shortfall; Impact of Governor’s State Budget Proposal LACCD, Budget Forecast Scenarios; Sources and Uses of Funds, Unrestricted General Fund, As of June 30, 2012; and 2011-12 Second Quarter Report Status, Workload Reduction (Class Offering Reduction).

(Trustee Pearlman arrived at 10:52 a.m.)

With respect to the 2011-12 Second Quarter Report Status Workload Reduction, Ms. Gordon stated that three of the colleges requested funding from the Chancellor’s Reserve to cover their deficits. After an analysis was conducted, it was confirmed that they were underfunded. Their requests were granted.

Trustee Svonkin indicated that Los Angeles Harbor College (LAHC), Los Angeles Southwest College (LASC), and Los Angeles Valley College (LAVC) were present to share their financial challenges and opportunities with respect to their workload reduction plan. He deferred to LAHC.

Mr. Marvin Martinez distributed a document entitled “Los Angeles Harbor College, March 7, 2012” and a chart entitled “LAHC Budget Allocation Trend 2008-09 to 2012-13.” He gave an overview of Los Angeles Harbor College workload reduction plan.

Dr. Jack E. Daniels III gave an overview of Los Angeles Southwest College workload reduction plan.

Dr. A. Susan Carleo distributed a document entitled “LAVC Report to the Board of Trustees, Finance and Audit Committee, March 7, 2012” and gave an overview of Los Angeles Valley College workload reduction plan.

Trustee Veres inquired if an analysis has been conducted in terms of cost with respect to highest full-time faculty longevity.

Ms. Gordon responded that she would provide the Committee with an analysis of the highest full-time faculty longevity costs.

Trustee Svonkin indicated that the College Presidents will continue their presentations at the next regularly scheduled Committee meeting. He requested that the colleges’ handouts follow LAHC’s format.

Disposition: Trustee Svonkin requested that a copy of the requests of the three colleges' augmentation be provided to the Committee for its review.

Ms. Gordon continued to discuss the document entitled 2011-12 2nd Quarter Report Status with respect to Budget Planning Principles and Priorities, 2012-13 Budget Development and Planning, and 2012-13 Proposed Preliminary Budget Comparison of Scenarios Unrestricted General Fund.

2012-12 Proposed Preliminary Budget

Ms. Gordon distributed and discussed a document entitled "Proposed Contingency Plan, Assumptions, Goals and Strategies, Revised February 15, 2012" with respect to the Financial Forecast for Fiscal Year 2011-12 to 2012-13 Unrestricted General Fund.

Disposition: Trustee Veres requested that staff report to the Committee as to how much of a reserve the LACCD needs to have in order to obtain the best rate for future bond sales.

Waste Hauling Proposed Criteria

Mr. James Watson distributed and discussed a Board motion entitled "Adopt the Following Specifications for Waste Management Bids."

Trustee Svonkin requested that the "Work Continuity Plan" (WCP) paragraph be deleted from the draft action item and recommended that the contract be awarded Districtwide with the lowest cost to the District.

Motion by Trustee Veres, seconded by Trustee Svonkin, to recommend to the full Board approval of the draft action item to Adopt the Following Specifications for Waste Management Bids as amended.

ADOPT THE FOLLOWING SPECIFICATIONS FOR WASTE MANAGEMENT BIDS

Education: At least once a year, the contractor(s) will provide an educational workshop on a regional basis and at the Educational Services Center. The purpose of the workshop will be to inform faculty, students and staff of the District's efforts on reducing waste and the necessity for source separation.

Trucks: All trucks to be used in service shall comply at all times in all respects with provisions of the California Vehicle Code, regulations of the City and County of Los Angeles, the Los Angeles Community College Board of Trustees and any other governmental agency having jurisdiction. In: addition, the contractor(s) will comply with South Coast Air Quality Management District Rule 1193.

Source Separation: Bidders will offer pricing for waste hauling based on tonnage with source separation included and a deductive alternative to provide pricing without source separation, thus allowing either alternative to be considered.

~~**Work Continuity Plan (WCP): Interruption of waste disposal and hauling services would have substantial detrimental impacts to the District's operations and ability to carry out its mission. Therefore, it is of the utmost importance to the District to ensure uninterrupted services. The contractor(s) will submit a WCP that demonstrates a practical plan to maintain, as the contractor's expense and in compliance with applicable laws, uninterrupted solid waste disposal and hauling service to the District during labor disputes that may arise during the term of the contract. The District will accept for low bid review only those bids which contain a WCP that provides that the contractor(s) will provide for replacement pick-up within forty-eight (48) hours after notification by the designated administrator(s) of a service interruption and that such replacement pick-up will be maintained until regular service is restored. In the alternative, a satisfactory WCP may include a collective bargaining agreement with a no-strike provision, provided that the duration of the applicable agreement is at least as long as the contract to be awarded by the District,**~~

~~or that there is a WCP in place effective upon the expiration of the collective bargaining agreement upon which the contractor(s) rely (ies). Any labor dispute, irrespective of cause or justification, resulting in a scheduled pickup being delayed over 48 hours shall constitute a material of the contract, and shall subject the contractor(s) to termination for a default.~~

APPROVED: 3 Ayes

Disposition: To full Board for approval.

Financial Advisor and Bond Review RFP Update

Disposition: Not discussed.

Other Follow-up Items, if any

Disposition: None.

FUTURE DISCUSSION ITEMS

Efficiency Audit
College Food Service Contracts (Review)
Retirement Incentives
Policy Framework for Naming Buildings
Revenue Enhancement Strategies
Third Quarter Financial Status Report
Legal Fees

FUTURE FINANCE AND AUDIT COMMITTEE MEETING DATES

April 11, 2012
May 9, 2012
June 13, 2012

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 12:36 p.m.