

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE
Educational Services Center
Board Room – First Floor
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, September 12, 2012
11:15 a.m. – 12:15 p.m.**

Committee: Scott J. Svonkin, Chair; and Steve Veres. Absent: Miguel Santiago (arrived at 11:25 a.m.)

Trustee Svonkin called the meeting to order at 11:16 a.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Bond Issuance

Ms. Jeanette Gordon indicated that today's presentation would be for the purpose of initiating a dialogue with the Committee related to the process of the issuance of bonds. She deferred to Mr. David Brodsley, Consultant, KNN Public Finance, A Division of Zions First National Bank.

Trustee Svonkin requested that staff provide the Bond Review Panel with the proposed agenda, timeline of the process, and staff's recommendations with respect to the issuance of the bonds so that they may review and make their final recommendations to the Finance and Audit Committee.

(Trustee Santiago arrived at 11:25 a.m.)

Mr. Brodsley distributed and discussed a document entitled "Los Angeles Community College District, Presentation to the Board of Trustees Finance and Audit Committee, September 12, 2012, KNN Public Finance" with respect to the 2012 Bond Program related to the accomplishments to date, method of sale, competitive versus negotiated sale process, key considerations, key factors influencing LACCD decision, and refunding considerations.

Disposition: Trustee Svonkin requested that staff provide the Bond Review Panel with the proposed agenda, timeline of the process, and staff's recommendations with respect to the issuance of the bonds so that they may review and make their final recommendations to the Finance and Audit Committee.

Disposition: Trustee Svonkin requested that the Committee communicate to Ms. Gordon recommendations or concerns regarding the presentation on page 8 entitled "Review of LACCD Bond Program."

Block Grant for Mandated Costs/FTES

A document entitled "Mandates New Block Grant" was distributed.

Ms. Gordon discussed the document with respect to the new Block Grant for mandated costs which guarantees the LACCD \$28 per FTES versus the claims process filed in previous years. Mr. Gordon recommended that the District accept the new Block Grant.

There was discussion regarding the pros and cons of selecting the \$28 per FTES versus the claims process filed in previous years

Trustee Svonkin indicated that the Committee accept staff's recommendation, with the condition that staff provide a confirmation that the funds awarded are from the same funding source for participating districts and that an analysis be provided in one year to assess that the LACCD has selected the best option.

Disposition: *Trustee Svonkin indicated that the Committee accept staff's recommendation, with the condition that staff provide a confirmation that the funds awarded are from the same funding source for participating districts and that an analysis be provided in one year to assess that the LACCD has selected the best option.*

Cash Flow Status/Tax and Revenue Anticipation Notes (TRANS) Issuance

Ms. Gordon distributed and discussed a document entitled "Cash Flow/TRANS Issuance" with respect to the general fund cash flow if the tax initiative passes or fails related to the issuance of Tax and Revenue Anticipation Notes (TRANS) and the benefits of participating in the pooled TRANS.

There was discussion regarding TRANS with respect to the uncertainty associated with the November Tax Initiative.

Disposition: *Trustee Svonkin indicated that at the appropriate time this item will be brought back to the Committee for further discussion.*

Revenue Enhancement Strategies

Trustee Svonkin indicated that this item is postponed until the next Committee meeting due to time constraints.

Disposition: *Postponed until the next Committee meeting.*

FOLLOW-UP ON PRIOR AGENDA ITEMS/INQUIRES

Update on Foundation Audits

Not discussed.

FUTURE DISCUSSION ITEMS

Efficiency Audit
Retirement Incentives
Policy Framework for Naming Buildings
Districtwide Request for Proposals/Invitations for Bids

FUTURE FINANCE AND AUDIT COMMITTEE MEETING DATES

October 3, 2012
November 7, 2012
December 12, 2012
January 16, 2013
February 6, 2013
March 6, 2013
April 3, 2013
May 1, 2013
June 12, 2013

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 12:13 p.m.