

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE
Los Angeles Valley College
Campus Center Building---Fireside Room
5800 Fulton Avenue
Valley Glen, CA 91401
Wednesday, June 12, 2013
12:00 p.m. – 1:00 p.m**

Committee: Scott J. Svonkin, Chair, Steve Veres. Absent: Miguel Santiago (arrived at 12:12 p.m.)

Trustee Svonkin called the meeting to order at 12:06 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

2013 Bond Issuance Update

A document entitled “2013 General Obligation Bonds, Results of Sale on May 29, 2013” was distributed.

Trustee Svonkin announced that the first bond sale under the new policy and new team had a very positive outcome. She deferred to Mr. David Brodsley, Consultant, KNN Public Finance, A Division of Zions First National Bank.

(Trustee Santiago arrived at 12:12 p.m.)

Mr. Brodsley explained the document with respect to the one-year history of the 20-Bond Index chart illustrating the market timing of sales, the Los Angeles Community College District (LACCD) positive credit rating factors, the results of the competitive bids conducted on May 29, 2013, the summary of the \$250 million new money bids, the summary of the \$55.7 million refunding bids, the overall Measure J debt service, the Measure J tax rate expectations, and the 2013 refunding bonds debt services savings.

Disposition: • **None.**

2012-13 Preliminary Year End Balances

A document entitled “LACCD Sources and Uses of Funds, Unrestricted General Fund as of June 30, 2013” was distributed.

Ms. Jeanette Gordon discussed the document with respect to the Unrestricted General Fund as it relates to the total projected ending balance and the 2012-13 possible midyear corrections due to the uncertainty of the Redevelopment Agency (RDA) revenue, property tax, student fee shortfall backfills, and cash flow problems. She further discussed the document with respect to the Fiscal Year 2012-13 Projected Balance Third Quarter Financial Status, the LACCD 2012-13 Current Budget, Projected Expenditures, and Balance Projection, Unrestricted General Fund, by location, as of March 31, 2013.

Trustee Veres expressed his concern that with the implementation of the new budget allocation model, the outcome is the same, if not worse, for those colleges that have a negative balance.

Trustee Svonkin recommended that this item be brought back to the Committee for further discussion in August after the final budget is presented in order to address the colleges with negative balances, if any.

Disposition: • **Trustee Svonkin recommended that this item be brought back to the Committee for further discussion in August after the final budget is presented in order to address negative balances, if any.**

2013-14 Tentative Budget – Notice

A document entitled “2013-14 Notice of Tentative Budget” was distributed.

Ms. Gordon summarized the document with respect to the 2013-14 proposed tentative budget regarding the appropriations and a three-year comparison summary of all funds. She also discussed the Governor’s May Revise proposal and its impact on the LACCD budget for 2012-13 and 2013-14, the State budget update and fiscal year 2013-14 budget development.

Ms. Gordon indicated that the 2013-14 Proposed Tentative Budget will be presented for action at the Board of Trustees meeting of Wednesday, June 26, 2013.

Motion by Trustee Santiago, seconded by Trustee Veres, to recommend to the full Board the adoption of the 2013-14 Tentative Budget.

APPROVED: 3 Ayes

Disposition: None.

Phase II Budget Allocation Update (DBC Recommendation/Growth)

A document entitled “Phase II – Budget Allocation Model Review Update (revised 04/24/2013)” was distributed.

Ms. Gordon discussed the document with respect to the Executive Committee of the District Budget Committee recommendation related to growth funding formula changes.

Trustee Veres strongly urged the individuals that are responsible for budget preparation to have discussions regarding funding for unprepared students and that they approach the State as well concerning this issue.

Disposition: None.

Update of 2012-13 Finance and Audit Committee Actions

A document entitled “Finance and Audit Committee, Update on Past Actions, as of May 20, 2013” was distributed.

Ms. Gordon indicated that the handout is an update on the status of past actions.

Disposition: None.

Update on Efficiency Request for Proposal (RFP)

Ms. Gordon discussed the status and timeline of the Efficiency Request for Proposal.

Disposition: None.

FUTURE DISCUSSION/AGENDA ITEMS

Retirement Incentives

FUTURE FINANCE AND AUDIT COMMITTEE MEETING DATES

None.

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

Trustee Svonkin recommended that the Committee plan to meet on the date of the second Board meeting in July 2013.

ADJOURNMENT

There being no objection, the meeting was adjourned at 1:07 p.m.