

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

Audit, Budget, Foundation Relations Subcommittee

Subcommittee Members: Trustee Heitmann (Chair) and Trustee Miller

***Ventura County Community College District
255 W. Stanley Avenue, Suite 100
Ventura, CA 93001***

***August 26, 2008
3:00 P.M.***

MEETING NOTES

CALL TO ORDER

The Meeting was called to order at 3:16 p.m. by Trustee Heitmann.

PRESENT

Members: Trustee Heitmann, Trustee Miller
Guests: Rick Alonzo and Chris Chitlik, Vavrinek, Trine & Day
Staff: Chancellor Meznik, Sue Johnson, Richard Dawe, Mary Anne McNeil, Deborah La Teer, and Chedva Weingart

PUBLIC COMMENT REGARDING AGENDA ITEMS

There were no public comments.

FY 2007-08 General Audit

Rick Alonzo, Engagement Partner from Vavrinek, Trine, Day & Co., presented an overview of the District's general audit process for the fiscal year ending June 30, 2008. There have been recent regulatory changes regarding audits and these new regulations and risk assessment standards were shared with the Committee.

There was a discussion as to what exactly is being audited/reviewed for compliance. To date, there are no findings.

FY 2008-09 Budget Update

Ms. Johnson provided an update on the FY 2008-09 state budget process, explaining why we have delayed bringing the budget to the full board until October. If a State budget is not adopted, an Adoption Budget based on the Governor's May Revise will be brought forward. It may be necessary to bring an Amendment when a State Budget is adopted. Ms. Johnson gave a brief update on the proposed budget scenarios, such as temporary sales tax increase, no COLA, restoration of categorical programs, etc. The Revenue Projection schedule (dated 8/26/08) was distributed and reviewed. The schedule is based on the Governor's May Revise.

Ms. Johnson distributed a copy of the FY09 Adoption Budget Allocation (dated 8/26/08). The correlation between allocation and productivity was explained. The Chancellor is working with the college Presidents to set productivity goals. Proposed changes to the Allocation Model are being evaluated and will be brought to the Committee later in the term.

It was noted that all college budgets are balanced and include salary increases.

Third Issuance of GO Bonds (Measure S March 2002)

A proposed timeline and Resolution to sell the remaining \$191 million in GO bonds were distributed and discussed. The proposed timeline has the bonds selling in mid-November. A Historical Tax Rate chart was distributed. Since the passage of the Measure S, the tax rates have been well below the targeted amount indicated on the ballot.

The Audit, Budget, Foundation Relations Subcommittee members approved the proposed timeline and Resolution as presented, and recommended it be forwarded to the Board for approval.

Request for Proposal – GASB 45 (post retirement benefits liabilities - OPEB)

Ms. Johnson distributed a Schedule outlining the District's post-retirement liability. One way to ensure the District can sustain funding for GASB45 would be to establish an irrevocable trust for investments. The Trust would need to meet the IRS Requirements for OPEB funds, but would generate higher interest. A Request for Proposal (RFP) would be created to solicit interested vendors. The RFP would be posted on the District's website, a notice would be published in the newspaper, and it would also be mailed to known vendors.

After discussion, the Audit, Budget, Foundation Relations Subcommittee members concurred that, once prepared, this item be brought to the Board for approval prior to release. This is anticipated to take place in October or November.

Request for Proposal – Third Party Administrator (TPA) – 403(b) & 457 Plans

Ms. Johnson reminded the Committee that they had previously approved an item to contract with TDS Group for Third Party Administration (TPA) services for 403(b) & 457 Plans. The District has received negative feedback from employees regarding TDS Group. Additionally, it is imperative that the District have a vendor who is well versed in the new IRS Requirements, and staff has not been satisfied with the responsiveness of TDS. The District issued a Request for Proposal for Third Party Administrator (TPA) – 403(b) & 457 Plans. Three vendors responded to the RFP. TDS did not respond. The RFPs are being evaluated. The District hopes to recommend a new vendor to the Board to begin by January 2009.

Other Business

None

The meeting was adjourned at 4:35 p.m.