CALL TO ORDER
The Meeting was called to order at 3:20 p.m. by Trustee Heitmann.

PRESENT
Members: Trustee Heitmann and Trustee Blum (substitute for Trustee Hernandez)
Staff: Sue Johnson, Mary Anne McNeil and Deborah LaTeer
Guest: Chuck Thompson, RPM Consultant Group

PUBLIC COMMENT REGARDING AGENDA ITEMS
There were no public comments.

GASB 43 & 45 Compliance Process
Ms. Johnson provided a review of the District’s OPEB currently liability and options the District is exploring, specifically an Irrevocable Trust. She further explained the complexity of the issue(s), which is part of the reason why the Board approved working with a consultant (Chuck Thompson – RPM Consultant Group) for guidance in this task.

The District issued a Request for Proposals for the GASB 43 & 45 Compliance Process. Six comprehensive proposals were received. Mr. Thompson provided an overview of the process and the structure of the various vendor team members. Mr. Thompson reviewed each plan proposed and explained the levels of protection/exposure for the Board with each type.

After review of the proposals received, the committee decided that two of the proposals would be eliminated and four would move on through the process for further consideration. At the next meeting, pricing structures along with the plan components would be evaluated for these four proposals. The Committee will also select which vendors they wish to interview in the next and final step of the process prior to recommendation to the Board at its November meeting.
FY2010-11 ADOPTION BUDGET

Ms. Johnson provided an overview of the State budget gridlock. Insiders in Sacramento feel a budget will either be passed within the next week or will not be approved until after the November election. Ms. Johnson explained that the most current proposal for the FY2010-11 State budget includes 2.2% enrollment growth, no tuition fee increase, and no reductions to community college funding. The outcomes of budget negotiations are yet to be seen.

The District’s proposed FY11 Adoption Budget was distributed and discussed. Based on current information from Sacramento, it appears the District will most likely not be subject to the reduction anticipated in the Tentative Budget. However, if the reduction does not occur this year and there are no obvious real and permanent solutions to the state-wide structural deficit, then we should anticipate that reductions will occur in the near future.

Based on that assumption, the recommendation from DCAS and District administration for the FY11 Adoption Budget includes a restoration of revenue to the level actually received in FY10. The recommendation also includes that those funds be allocated to temporarily address local structural deficits such as instructional materials and equipment, library materials and books, scheduled maintenance, and areas of non-recurring expenditures. This methodology will mitigate the possibility of a see-saw affect of restoring operations this year only to reduce them again next year. This proposal will also begin a movement to address our own local structural deficits if funding is not reduced in FY12.

The Committee supports this philosophy and recommends that the FY11 Adoption Budget as presented be forwarded to the full Board for approval.

OTHER BUSINESS

None

Meeting adjourned at 5:40 p.m.