BOARD FINANCE AND AUDIT COMMITTEE
MINUTES
OCTOBER 11, 2012

It is the intention of Palo Verde Community College District to comply with the Americans with Disabilities Acts (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, Palo Verde Community College District will attempt to accommodate you in every reasonable manner. Please contact Carrie Mullion at (760)921-5440, as soon as possible to inform us of your particular needs so that appropriate accommodations may be made.

1. Call to Order: The meeting was called to order at 3:32pm in room CS 234

2. Roll Call: Completed and those in attendance noted.

Ted Arneson – Board of Trustee Member	✓	Suzy Woods – CSEA Vice President	✓
Jerry Lewis – Board of Trustee Member	✓	Derek Copple – CTA President	A
Ed Gonzalez - Board of Trustee President/Guest	✓	Russi Egan – Classified Managers/ Confidential President, Acting CBO	✓
Denise Whittaker – Interim Superintendent/President	✓	Imelda Gonzalez – ASG Finance	✓
Kay Ragan – V.P. of Instructional and Student Services	✓	Carrie Mullion - Recorder	✓
Biju Raman – Academic Senate President	✓		✓

3. Opportunity for Public Comment

At this time, members of the public have the opportunity to address the Committee on any item contained within this notice. Persons wishing to make comments are allowed five minutes per item. Please note that the Committee cannot take action on any items not on the agenda, with certain exceptions as outlined in the Brown Act. Matters brought before the Committee that are not on the agenda may, at the Committee's discretion, be referred to staff or placed on the next agenda for Committee consideration. The Committee requests that the public speak on matters which are on this agenda at the time that the item is considered by the Committee.

Jerry Lewis reported that he, Ed Gonzalez, and Pam Blake (Needles Center Director) attended the Needles USD School Board meeting on October 10, 2012 where they approved the rental of their ROP facility at $20/hr to PVCCD to offer credit or non-credit classes as needed in that facility.

4. Minutes – None

AGENDA ITEMS

5. Review of Magis Study Regarding COP's – Whittaker/Egan

Interim Superintendent/President Whittaker and Acting CBO Egan reviewed the financial options as studied and presented by Tim Schaeffer, Magis Financial Advisors. Whittaker explained that the Accreditation Commission desires to see firm plans for debt reduction and that the options presented by Mr. Schaeffer, and reviewed and endorsed by CM Brahmbhatt, financial consultant to the College, allow for solid planning. The study shows that it is anticipated that the current state of the economy will most likely waiver little and that the numbers shown, although projections, are valid. If the District sells a portion of their COPs with most of the remaining LAIF/Capital funds, that will significantly reduce the debt obligation from nearly $60M to under $40M. If in addition to that the District then refinances the remaining debt, the debt obligation will again decrease. This is important because the College currently budgets over $1.6M annually towards the COP payment of $2.3M (with the difference coming from LAIF/Capital funds). If the debt is reduced to a level that is less than the $1.6 budgeted, the District can clearly demonstrate to the Commission that it has sufficient funds to meet its long term debt obligations.

The recommendation was made to present this concept as a Board Report at the October 23rd meeting, present a written Debt Mitigation Plan for 1st reading and a presentation by CM or Mr. Schaeffer for further Board clarification and understanding at the Nov. 13th meeting, and approve the Debt

Mitigation Plan at the December 11 meeting. It was MS/P to accept this recommendation and the written development of the Debt Mitigation Plan.

6. General Bond Obligation Option for Providing Additional Services and Programs

Interim Superintendent/President Whittaker presented a recommendation from the Budget Committee for the researching and gathering of information to determine the feasibility of have a General Obligation Bond to support programs in the new Fine and Performing Arts Center, varsity men's and women's sports such as football, volleyball, basketball, baseball, softball, and soccer, and possible signature instructional programs that would support employment in the desert valley. After considerable discussion, it was recommended that the College needed to wait for the November ballot results and that no action be taken at this time. Members expressed that it was important to allow time for the College to restore its Accreditation status and for the community to see in 2016 that the College has their debt under control, and that now was not the time to be thinking about a G.O. Bond. In the mean time, by providing various programs in the new Center, the community will be able to see what could be offered and would be in a better place to consider supporting a ballot measure in either 2016 or 2018. No further action was taken.

7. Review of Board Policies applicable to Finance

Interim Superintendent/President Whittaker provided the Committee with a list of those policies applicable to finance and shared decision-making, both being Commission issues. She explained that one of the major concerns of the Commission is that the Board needs to have and understand the policies and procedures associated with fiscal integrity and collegial consultation. The College follows CCLC's templates for Board policies and is in total compliance but it is important that the Board understand each policy, thus triggering this intensive review.

The committee reviewed the policies #1-11 as listed below, and made recommendations for modifications for each and directed management to make such revisions and updates, presenting them through the consultation process and brought back to this committee for approval before being placed on the Board's agenda for 1st reading. It was a valuable process to review each policy as it provided greater in-depth understanding of budget-related processes.

The Committee completed the initial reviews of items 1 - 11 and will continue reviewing the remaining policies and procedures as listed until all have been reviewed and modified if needed, and ultimately approved by the Board as a whole. The Board members asked that copies of all of the remaining policies and procedures be provided to the committee.

BOARD POLICIES & PROCEDURES FOR REVIEW

1. BP 2200 Board Duties and Responsibilities
2. BP 2220 Committees of the Board
3. BP 2510 Collegial Consultation
4. AP 2510 Collegial Consultation
5. BP 6200 Budget Preparation
6. AP 6200 Budget Preparation
7. BP 6250 Budget Management
8. AP 6250 Budget Management
9. BP 6300 Fiscal Management
10. AP 6300 Fiscal Management
11. AP 6300.1 Reserves and Other Funds
12. AP 6300.2 Accounting
13. AP 6300.3 Warrants AP 6300.4 Payroll
14. BP 6320 Investments AP 6320 Investments
15. BP 6330 Purchasing
16. AP 6330 Purchasing
17. AP 6330.1 Purchase Orders and Requests
18. BP 6335 Use of District Credit Cards
19. AP 6335 Use of District Credit Cards
20. BP 6340 Contracts
21. AP 6340 Bids and Contracts
22. AP 6340.1 Contracts – Construction
23. AP 6340.2 Contracts- Elec. Sys & Materials
24. AP 6340.3 Contracts – Accessibility of IT
25. AP 6340.4 Contracts – Personal Service
26. AP 6340.5 Contracts – Vendors
27. BP 6400 Audits
28. AP 6400 Audits

Next Meeting: The Committee agreed that they would meet no less than twice each semester, or more if needed. The next meeting was tentatively scheduled for 1pm on Tuesday, November 13, 2012 pending verification of calendars.

8. Adjourn: The meeting was adjourned at 5:15pm.