

AUDIT & FINANCE COMMITTEE MEETING MINUTES SEPTEMBER 13, 2004

Present

Sandy Hay, Pat Millar, Kent Peterson, Hal Plotkin, Delia Ybarra

Absent

Robert Grimm

Others

Mike Brandy, Claudette Brero-Gow, Jane Enright, Rich Hansen, Alan Harvey, Jeanine Hawk, Martha Kanter, Jim Klingensmith, Brian Murphy, Jon O'Bergh, Hector Quinonez, Bernata Slater, Tonette Torres

1. PUBLIC HEARING

There were no members of the public who wished to address the Committee on items not on the agenda.

2. APPROVAL OF MINUTES

The minutes of July 12, 2004 were approved (Plotkin/Ybarra M/S/C).

3. MEASURE E PROJECTS UPDATE

Brero-Gow provided a report on Measure E projects. The opening of the new De Anza Science Center, the remodel of the S Quad, and the process to surplus old equipment were discussed. Brero-Gow reported on the good safety record at the construction sites. Klingensmith distributed a financial recap for De Anza projects and discussed issues regarding expenses for major projects that would be covered by contingency amounts. Major Foothill projects going out to bid were discussed and the fact that estimates exceed budget for the Lower Campus Complex and Campus Center. Foothill has discussed the issue and decided to put other projects on hold rather than cut back on the scope of those two projects. It was also reported that three claims with contractors were recently settled.

4. 2004-05 BUDGET

Brandy presented the 2004-05 Budget. He discussed concerns about Bookstore finances, noting an operating loss due to competition from a textbook retailer across the street from De Anza and Internet sales. Millar inquired what percentage of the budget was derived from local taxes. Brandy estimated it was about \$60 million out of a \$110 million base revenue, but said he would follow-up with specific information for the Committee.

5. REPORT ON INTERNAL AUDIT FUNCTION

Brandy discussed the internal audit function. He explained that a selection process will be followed to make a recommendation to the Audit & Finance Committee for an external audit firm. He noted that there are some projects for which the District can hire a local audit firm, and the Audit & Finance Committee would be asked to review those Requests for Proposal (RFP). Plotkin pointed out that the Coopers & Lybrand Report in 1991 recommended that the District maintain an internal audit function as it is essential for the District's fiscal health; he noted that he will read the RFP with great interest.

7. FINANCING FOR ENERGY MANAGEMENT/PHOTOVOLTAIC PROJECT

Brandy provided an update on the projects to install parking covers with solar panels and co-generation plants to use heat from the swimming pools. He reported that the District will be releasing a Request for Proposals to finance approximately \$3 million for the projects.

8. 457 PLANS

Quinonez discussed the District's intent to offer 457 Deferred Compensation Plans for employees, upon approval by the Board. Plotkin asked about the use of vendors, and Quinonez said that the District will review the program and invite vendors to participate annually.

9. NEXT MEETING

The next meeting was scheduled for November 15 at 3:30 p.m.

CALENDAR OF PENDING ITEMS

Measure E Projects Report (Schulze).....November 15, 2004

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Approved 11/15/04