

## **Board of Trustees Agenda Item**

**Meeting Date:** November 1, 2010

**Title of Item:** Audit and Finance Committee Membership

### **Background and Analysis:**

Attached is a memorandum from Vice Chancellor McElroy to Chancellor Thor outlining a process for membership appointment to the Audit and Finance Committee.

The term of one community member will expire at the end of the calendar year.

The Board is asked to appoint a two-person subcommittee who will be engaged in reviewing prospective applicants and making a recommendation to the full Board at their December meeting.

**Recommendation:** Appoint two Board members to a subcommittee who will facilitate a recommendation for new Audit and Finance committee membership to the full Board.

Submitted by:	Kevin McElroy, ext. 6201
Additional contact names:	
Is backup provided?	Yes



September 27, 2010

To: Linda Thor  
From: Kevin McElroy

Re: Audit and Finance Committee membership

The membership of the District Audit and Finance Committee is established in Board policy 9123. The Policy was last revised and approved by the Board on January 7, 2008.

Policy 9123 states the Board shall appoint the Audit and Finance committee members. Section 1- Membership specifies that the committee shall consist of two Board members and four members of the community at large who have special interest and knowledge in organizational financial matters. The President of the Board of Trustees shall appoint the Board members to serve to the committee for a one-year term beginning each January and shall appoint one of the serving Board members as the Chair of the Audit and Finance Committee.

Section 1.1-Term states that each community member shall serve a term of four years, commencing in January of each year. No community member may serve more than two consecutive terms.

Section 1.2- Appointment specifies that community members of the committee shall be appointed by the Board through the following process: (a) community members will be solicited for applications, (b) the Chancellor or his or her designee will review the applications in consultation with the Board President, (c) the Chancellor or his or her designee, following consultation with the Board President, will make recommendations for membership to the Board.

The attached spreadsheet indicates that one of our four community members will “term out” at the end of this calendar year. In actuality, Mr. Grimm’s term limits concluded at the end of last year along with Mr. Peterson. Mr. Peterson was replaced by Mr. Dexter Dawes who’s first four year term limit will expire 12/31/2013. Mr. Grimm agreed to stay on the committee for one more year because we could not identify a replacement for

him last year. Consequently we need only one committee member replacement to start in January 2011. Staff recommends the Board establishes this replacement as a three year appointment with a maximum four year renewal so both Mr. Dawes and Mr. Grimm's replacement will complete their first four year term at the same time, 12/31/2013.

Staff will begin working with you and the Board this fall in anticipation of seating a new member to begin the first meeting of the Audit and Finance committee in the 2011 calendar year. I will give an oral update report at the October 4<sup>th</sup> Board of Trustees meeting agenda to answer any questions regarding the selection process.

As I noted in my Citizens Board Oversight Committee member replacement memo earlier this month, I would also like to request your assistance in soliciting potential candidates as might be recommended from our FHDA Foundation Board and the Board of Trustees.

Please let me know if you have any questions or need additional information.

## AUDIT AND FINANCE COMMITTEE

### MEMBERSHIP TERMS

	Term Length	2008	2009	2010	2011	2012	2013	2014	2007
M. Bruno	4	T1	T1	T1	T1				
L. Ezrati	4	T1	T1	T1	T1				
R. Grimm*	2	T1	T1	T2					
D. Dawes	2			T1	T1	T1	T1		

\* Mr. Grimm's 2-term limit expired 12/31/09. Mr. Grimm was asked and agreed to serve one additional year through 12/31/10.

#### Community Member Replacement Timeline for 2010

Following the steps outlined in the Board Policy 1.2 Appointment:

- **October 4 -- November 15:** Community members will be solicited for applications.
- **November 18 -- 30:** Chancellor or designee will review the applications in consultation with the Board president.
- **December 1:** Chancellor will make recommendation to the Board to be considered at the December 6, 2010 Board of Trustees meeting.
- **December 6:** Board of Trustees will consider appointment of the newly recommended committee member.