



**Foothill-De Anza  
Community College District**

12345 El Monte Road, Los Altos Hills, CA 94022 650-949-6200

**AUDIT AND FINANCE COMMITTEE MEETING  
DRAFT MINUTES**

MARCH 3, 2011

**PRESENT:** Joan Barram, Marge Bruno, Pearl Cheng, Dexter Dawes, Joel Spolin, Jim Sandstrom

**OTHERS:** Charles Allen, Letha Jeanpierre, Kevin McElroy, Hector Quinonez, Bernata Slater, Linda Thor, Shirley Treanor

**CALL TO ORDER**

Pearl Cheng, who is sitting in for Committee Chair Betsy Bechtel, called the meeting to order at 1pm.

**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**

Approve the minutes of the December 2, 2010 minutes. M/S/C (Cheng/Spolin).

**3. Welcome New Members Jim Sandstrom, Joel Spolin**

Staff and members of the committee introduced themselves to new members Sandstrom and Spolin.

**4. Interview and Selection of External Audit Firm**

Audit firms Matson Isom, Perry-Smith and Vavrinek, Day and Trine submitted presentations and answered questions from the committee.

**Committee members voice the unanimous recommendation for Vavrinek, Trine and Day & Co., LLP to be forwarded to the Board of Trustees for selection as the external Audit firm for Foothill-De Anza Community College District.**

**Consent Calendar**

**5. Adopt Calendar of meetings through 12/31/11**

**6. Measure E Projects Report**

**7. Measure C Projects Report**

**8. Measure C Program/Project Management Review**

**9. Fiscal Self-Assessment**

Items 5 through 9 were accepted as submitted M/S/C (Bruno/Spolin).

**Committee Business**

**10. Update on Measure C Bond Sale, Issuance C**

John Sheldon of Morgan Stanley was present to explain documentation regarding the upcoming sale of Issuance C of the 2006 Measure C voter initiative, as well as background history for new members. Highlights included an explanation of the average annual growth of 5.7% over the last 5 years, and that money from the bond sale must be spent within 3 years of issuance.

Range of money from the bond will be between \$160-180 million, and Sheldon noted that a "favorable borrowing environment still exists."

**11. Budget Update and Review**

Projections of cuts for the 2011-12 year to California Community Colleges look to be in the \$400 million range. Discussion of three different scenarios of possible situations for FHDA include anywhere between \$12 million and \$30 million. Factors that will influence how much of a hit to the budget will not be settled until late spring.

**12. Second Quarter Financial Report**

An explanation of fund balance was given, along with noting that \$14 million will be in the Stability fund, possibly to be used to carry current status quo of employees through to December 2011. Escrow II positions will be folded back into the budget, and new decisions in terms of staffing will take place.

**The next meeting to be held at 3pm on June 2, 2011.**