CALL TO ORDER

The Budget Committee was called to order by Co-Chair, Farhad Sabit, at 3:01 PM.
I. APPROVAL OF AGENDA

A motion was made by Committee member, Susan Myers to approve the Agenda as presented. The motion was seconded by Committee member, Connie Teshara and unanimously carried by the Committee members present.

II. APPROVAL OF MINUTES

A motion was made by Committee Member Donna Payne to approve the Minutes from the previous meeting on September 2, 2014 as amended with corrections to the COLA discussion. The motion was seconded by Committee Member James Keogh and unanimously carried by the Committee members present.

III. OVERVIEW OF UNDESIGNATED FUND BALANCE - GF

Ron Little presented an overview of Governmental Accounting Standards Board Statement 54 (GASB 54) and its impact on the Fund Balance. The fund balance is the difference between a fund’s revenues/resources/assets and its expenditures/uses/liabilities. Fund balances carry forward from one fiscal year to the next.

GASB 54 redefined the components of the fund balance into 5 categories: nonspendable, restricted, committed, assigned, and unassigned. Nonspendable funds include endowment funds. Restricted funds include State and Federal Grants. By design, committed resources must have Board approval. An example would be the SERP payment. Assigned funds can be designated by the Board or an authority delegated by the Board. This would include the 5% Contingency Reserve. Unassigned funds include undesignated balances. The components of the undesignated fund balance are limited to assigned and unassigned funds.

IV. ACTUARIAL STUDY

Farhad Sabit presented information to the Committee regarding the Actuarial Study process. The purpose of an Actuarial Study is to determine the total projected benefits based on assumptions. Assumptions include employee entry age, expected retirement age, years of service and District retirement benefit rates. An Actuarial Study is completed every two years by an outside accounting firm that is chosen through the RFP process.

V. UPCOMING TOPICS

Farhad Sabit informed the Committee of upcoming topics. The First Quarter Financials will be reviewed at the next meeting.
V. QUESTIONS

Walt Birkedahl: Is there a cap on the amount of funds that can be assigned to the Undesignated Fund Balance?

Ron Little: Legally, there is no limit. A bill has been proposed that would cap the Ending Fund Balance at double the 5% contingency Reserve. It is currently making its way through the California legislative process.

VI. ADJOURNMENT

Co-Chair Farhad Sabit adjourned the meeting at 4:25 pm.