



**District Committee on Budget & Finance  
October 17, 2023**

**Zoom, 1:30 – 3:30 p.m.**

**Attendees:** Mary Chries Concha Thia, Elian Fontanilla, Judy Hutchinson, Stephanie Martinez, Montse Morales, Joe Morello, Gerardo Pacheco, Ludmila Prisecar, Cassidy Ryan, Arya Shadan, and Bernata Slater

**Absent:** Tony Burolla, Steven Lehigh, and Vincent Li

**Guests:** Kim Aviles, Paul Cassidy, and Peter Fitzsimmons

**Called to order at 1:33 p.m.**

**1. Actuarial Study**

Slater reviewed the actuarial dated June 30, 2023, that was emailed to the committee prior to the meeting. As a community college district that offers post-retirement benefits, the district is required to conduct an annual actuarial study to ascertain its liability for these benefits. The study is conducted by Total Compensation Systems, Inc. and is driven by various assumptions including employee / retiree demographics, return on investments, medical costs, etc.

The study indicated a liability of \$123.2 million offset with assets of \$137.2 million, which means that as of June 30, 2023, the liability was “over-funded” by \$14 million. This funded status will vary depending upon the liability (number of employees, medical costs, demographics, etc.) vs. asset (trust fund balances, return on investments, market volatility, etc.) at any point in time.

Given that current and future employees are eligible for these benefits when certain conditions are met (i.e., an open population), the District accesses 3% of payroll to cover the costs of future retirees. Fitzsimmons advised that this resource is captured in Fund 8 and retiree benefits are paid from Fund 8, which is separate than the OPEB Irrevocable Trust Fund. As planned, the District anticipates to withdrawal \$2.8 million from the OPEB Irrevocable Trust Fund to assist with the costs of retiree benefits in FY 2023-24.

**2. Audit Update**

Slater advised that District contracted with CWDL to perform various statutorily required audits. FY 2022-23 is the third year of a five-year contract with the external auditors. The audit includes a compliance (interim) audit, which is conducted in the Spring and a financial (final) audit, which is conducted in the Fall. The audit firm is In the process of finalizing the various reports, which includes: (1) the District’s Audited Financial Statements, (2) the General Obligation Bonds (Measure H) Audited Financial Statements, (3) the General Obligation Bonds (Measure H) Performance Audit, (4), The Audited Financial Statements for KCSM, and (5) the Audited Financial Statements of the OPEB Irrevocable Trust. There are currently no known issues or concerns with the on-going exception with regards to compliance with the 50% Law.

Fitzsimmons shared that the auditors are schedule to present their reports to the Board of Trustees at their meeting in December 2023, and that past reports are available on the District's website. The District's Audited Financial Statements will be included in the agenda for the committee's December meeting.

**3. FY 2022-23 Fund 1 Actuals By Site**

Fitzsimmons reviewed the spreadsheet emailed to the committee prior to the meeting. He reminded the committee that this is an expansion of Page 50 of the FY 2023-24 Adopted Budget, which provides the FY 2022-23 Revised Budget and Actuals for Fund 1 districtwide. The spreadsheet illustrates the districtwide results at the site level and is a recurring annual report to the committee. A similar report illustrating the districtwide results in the resource allocation model format is forthcoming and is planned to be presented at the next committee meeting.

**4. Public Comments / Future Agenda Items**

Slater reviewed the proposed agenda items located in the parking lot for November, December, and January. Fitzsimmons advised that if any member wanted to add any items to the agenda for consideration to please forward to him.

**5. Next Meeting:** November 21, 2023

**Meeting adjourned at 2:00 p.m.**