



Board of Trustees Budget Committee (BBC)
SBCCD Board Room, 114 S. Del Rosa Drive, San Bernardino CA 92408

Meeting Minutes – October 12, 2017

Members Present – Gloria Macías Harrison, Donna Ferracone, Joseph Williams

Members Absent – None

Staff Present – Jose Torres, Larry Strong, Mike Strong

Guests Present – None

I. Welcome & Introductions

Gloria called the meeting to order at 10:04 a.m. No introductions were necessary.

II. Public Comment

There was no public comment.

III. Approval of Minutes

Donna made a motion to approve the minutes of September 14, 2017, which Joseph seconded. There was no discussion and the motion was approved by the following vote.

Ayes: Gloria, Donna, Joseph
Noes: None
Abstentions: None
Absent: None

IV. Current Topics

A. Guiding Principles for FCC Auction Proceeds – Definitions

Jose presented a handout for discussion. He advised that faculty had requested clarification for some of the terms used in the Guiding Principles for the FCC Auction Proceeds approved by the Board of Trustees on September 14. Donna felt this exercise will be helpful. Jose emphasized that the most ambiguous phrases were *collegial process*, *educational and facilities master plan*, and *SBCCD*. Joseph expressed concern that there was still some misunderstanding that proceeds could be used for ongoing expenses such as salary increases. Gloria commented that proceeds could possibly be offered on a yearly basis for part-time personnel, but not for ongoing. **After some discussion, it was decided to use the definitions for *collegial process*, *educational and facilities master plans*, *FCC*, *SBCCD*, *UHF* and *VHF*. Joseph made a motion to this effect which Donna seconded. The motion passed unanimously.**

Committee members continued discussing the clarity of the Guiding Principles. Joseph asked staff opinion about how revenue from the proceeds might be used. Mike commented that his understanding is that the principal will not be used for ongoing costs but perhaps the revenues could be. For instance, revenues could provide CHC with seed money for initiatives

that in the long term will become self-funding. The digital media academy, for example, would need seed money to set up a lab, etc. Such a program would then likely need supplemental support in the first three years but by year 4, it would need to be self-sustaining. Then the revenues would have to be used for other projects. He felt SBCCD should be *very* careful about using the revenues for ongoing costs and does not think salary increases would be a valid expense. Donna added that payment of ongoing salary increases would result in additional benefit expenses and Mike added his belief that salary increases should to be based on state funding, not the FCC auction proceeds.

Jose said that we cannot balance the budget with expected revenues. If the FCC investment income becomes part of the budget, it would eliminate the opportunity for SBCCD to become greater than what it is. Gloria mentioned that reinvestment of proceeds was not covered in the principles. She asked about the percentage cost of salary on the budget. Jose advised that it is different for each site and estimated the following: 91% at CHC; 85% for SBVC; and 70% for the District Office.

B. BBC Charge

Committee members reviewed draft charge language developed from discussion at a prior meeting. Donna made a motion to approve the language which Joseph seconded. **Gloria wanted to clarify the final bullet of the charge from “communicating findings and recommendations” to “communicating findings and formulating final recommendations”. The motion was amended to approve the charge with this change in language. Joseph again seconded and the amended motion was unanimously approved.**

V. Updates

B. Bond Feasibility Study *(out of sequence)*

Jose advised that a bond feasibility study is being conducted and that he will present the results at a later date.

C. KVCR Transition Scope, Cost & Timeline

BBC members reviewed the handout entitled KVCR Transition Scope, Cost & Timeline. It was mentioned that two contracts were on the Board agenda that relate strictly to the FCC mandated UHF-to-VHF transition. No contracts have been submitted for equipment improvement beyond the mandatory transition. BBC members expressed dissatisfaction with the lack of a clear cut plan for expenditures related to the FCC Auction Proceeds. It is still unclear where the station is headed and what it will cost. Mike suggested that an independent consultant could review the costs alongside those developed by our in-house staff’s consultant. Jose promised to make sure this was put in motion. He further advised that Director of Facilities Hussain Agah was managing the transition and would be advised to take over the rest of the project as well. Joseph stressed that the Board is seeking a true delineation of costs along with a timeline and does not want to approve contracts piecemeal.

D. Solar Electric Procurement Project *(no update)*

E. BOT Budget

The monthly update was reviewed.

F. Bookstore

There is an item on tonight's agenda to award a contract to Follett. The contract represents a substantial savings to students. It is hoped that the transition can be complete by the end of February.

A. FCC Auction Proceeds Investment (*out of sequence*)

Gloria asked for a realistic estimate of when the FCC proceeds could be allocated and when they will have the figures for KVCR transition and new equipment. Joseph mentioned the possibility of making a motion to take \$100 million off the table for investment, leaving the rest to address everything else. Gloria wants realistic estimates for transition, equipment, sustainability of KVCR, and the investment. Jose said that based on KVCR's previous presentation they would need \$18 million in equipment and \$8 million over the next three years. The remaining \$130 million could then be invested. Donna added that SBCCD still needs to be repaid for the initial expenses. This needs to be on the BBC agenda for November 3.

G. Enrollment (*no update*)

VI. Future Topics

No future topics were discussed.

VII. Adjournment

The meeting adjourned at 11:35 a.m. The next meeting is scheduled for November 3, 2017 at 10:00 a.m.