



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

Meeting Minutes – November 3, 2017

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

Members Absent – None

Staff Present – Jose Torres, Larry Strong, Mike Strong, Scott Stark

Guests Present – Hussain Agah, Ivory Li, Elaine Reodica, Adam Bauer, Jason Chung

I. Welcome & Introductions

Gloria called the meeting to order at 10:08 a.m. Committee members introduced themselves for the benefit of the invited guests which included SBCCD Director of Facilities Planning and Construction Hussain Agah; Ivory Li and Elaine Reodica of the financial advisory firm Piper Jaffray; and Adam Bauer and Jason Chung of the municipal advisory firm Fieldman Rolapp & Associates.

II. Public Comment

There was no public comment.

III. Approval of Minutes

Joseph made a motion to approve the minutes of October 12, 2017, which Donna 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. Bond Feasibility Study

BBC members received a presentation on the results of the bond feasibility survey conducted in late September. Jose recapped that the recent facilities master plan has identified several hundred million dollars in need. The survey results on pages 10-12 indicate that almost half the public are uncertain about our colleges and district; SBCCD needs to conduct more outreach. Joseph asked if we are taking steps to avoid being unable to sell voter-approved bonds as occurred with Measure M. Jose advised that we are pursuing a measure for which bonds could be issued with a less stringent deadline for expending the proceeds.

Research firm True North concluded that it is feasible for SBCCD to attempt a bond measure in November 2018. The next step in this process entails contracting with a consulting firm specializing in public finance ballot measures and reaching out to the public to raise awareness. In July 2018 the Board of Trustees will decide whether or not to go out for the bond.

If the BOT does approve the action, at that point SBCCD can no longer spend resources or discuss the measure until it goes to a vote in November.

B. Refunding of Two Bond Series

Adam Bauer of Fieldman Rolapp and Ivory Li of Piper Jaffray proceeded to make a presentation on the proposed refunding of two bond measures – one from Measure M and one from Measure P. Ivory shared with the BBC that so far SBCCD has saved the taxpayers \$13 million on Measure P and \$9 million on Measure M. Gloria mentioned that it would be helpful for trustees to develop talking points to communicate this information. Bond refinancing is similar to refinancing a mortgage by lowering the interest rate.

Adam advised that the financing schedule on page 8 of the presentation has to be significantly accelerated due to a late breaking development in Federal tax reform. In order to be compliant, the process would now have to be completed by December 31, 2017 rather than February 2018. Jose advised that this is why he will be bringing the items to the November 30 board study session for approval.

C. FCC Auction Proceeds Investment

Jose addressed committee members regarding the \$157 million in FCC auction proceeds. These funds, which were received in July, continue to remain in the County treasury (which is Investment Option 1) earning only .33% interest. He expressed his desire to commence working through the collegial consultation process to develop a recommendation for expediting the investment of \$100 million of the funds into Option 4, leaving \$57 million in Option 1. Jose maintained that by delaying such action SBCCD is losing out on potential earnings. Gloria commented that she has no problem setting aside the \$100 million for investment.

Joseph made a motion to support Jose in working through the collegial process to develop a recommendation to set aside \$100 million for investment. Donna seconded the motion, which was approved with the following vote.

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

V. Updates

A. KVCR Transition Scope, Cost & Timeline

Joseph expressed the desire for a valid estimate of the cost to transition/modernize KVCR. He asked that SBCCD staff make this happen. Jose advised that a contract for an independent engineer to assess and develop this estimate could be brought before the Board of Trustees at its November 30 study session.

B. Solar Electric Procurement Project

Jose advised that construction of solar panels at the District Office will start soon. He also mentioned that the solar project at SBVC has received approval to be 'grandfathered in' to the more profitable Time of Use (TOU), thereby making the project once again feasible.

C. BOT Budget

BBC members reviewed the monthly report. Jose talked about the 2018-19 Budget Calendar which is part of the November 9 BOT meeting agenda. One item on the budget calendar is the communication of BOT directives for the 2018-19 budget before March 1 of 2018. BBC members asked that this item be added to their December 14 meeting agenda.

D. Bookstore

Jose reported that SBCCD will meet with Follett to negotiate the contract and timeline. He mentioned that SBCCD has sent legal correspondence to the CSEA but they have not yet responded. The discussion about displacement refers to positions, not people; no people are being displaced.

E. Enrollment

A newly formatted enrollment report was handed out which Scott and Mike discussed. They feel this new format is simple and measurable.

VI. Future Topics

No future topics were discussed.

VII. Adjournment

The meeting adjourned at 12:20 p.m. The next meeting is scheduled for December 14, 2017 at 10:00 a.m.