MINUTES

SPECIAL MEETING OF THE BOARD OF TRUSTEES
SANTA BARBARA COMMUNITY COLLEGE DISTRICT

SPECIAL MEETING/STUDY SESSION
July 10, 2008
4:00 p.m.

Room A218
MAC Building
Santa Barbara City College
721 Cliff Drive

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Board agendas and supporting documents are also posted on the college website at http://www.sbcc.edu/boardoftrustees/.

1. GENERAL FUNCTIONS

1.1 CALL TO ORDER

President O’Neill called the meeting to order.

1.2 ROLL CALL

Members present:
Dr. Kathryn Alexander
Dr. Joe Dobbs
Mr. Morris Jurkowitz, Vice President
Ms. Joan Livingston
Mr. Des O’Neill, President
Mr. Luis Villegas

Members absent:
Mrs. Sally Green

Others present for all or a portion of the meeting:
Dr. Andreea M. Serban, Supt/President and Secretary Clerk to the Board of Trustees
Ignacio Alarcon, President Academic Senate
Liz Auchinloss, President CSEA
David Casnocha, Guest
Joan Galvan, PIO
Tom Garey, Theater

Julie Hendricks, Facilities
Ben Partee, Interim VP Continuing Ed
Alice Scharper, Dean Ed Programs
Lynne Stark, President IA
Joe Sullivan, VP Business Services

1.3 WELCOME

President O’Neill extended a cordial welcome to all.

1.4 HEARING OF CITIZENS

Tom Gary announced that Rumors would be opening July 11, 2008, will run for three weeks and is a terrific show.

2. BUSINESS SERVICES

2.1 BUSINESS ACTION ITEM

a. AUTHORIZATION TO ACCEPT BIDS AND AWARD CONTRACT FOR WEST CAMPUS SWING SPACE.

Upon motion by Dr. Dobbs, seconded by Dr. Alexander, the Board approved the acceptance of bids and award of contract to Shaw Excavating & Grading.

Upon motion by Ms. Livingston, seconded by Mr. Jurkowitz, the Board approved adjourning into Study Session.

3. STUDY SESSION

1. Measure V – Next Steps

President Serban reported that this meeting will be used to review the next steps required in the Measure V process. Many decisions will need to be made by the Board. At the July 24, 2008 Board meeting the Board will be presented with several items for approval. David Casnocha, bond counsel, was invited to give an overview of what needs to occur next and to answer any questions the Board may have.

Mr. Casnocha reported that the handouts distributed at the meeting relate to the Prop 39 requirements. One of the specific requirements is to establish, populate and help administer a Citizen’s Bond Oversight Committee. There will be two resolutions that will need Board approval. One will certify the election results, entering them into the minutes and the second resolution would be to establish the oversight committee. The Board will also need to approve the oversight committee bylaws.

The powers of an oversight committee are defined by the Education Code. Citizen Oversight Committees are advisory committees to elected officials and are subject to the Brown Act and they have three primary responsibilities:

1. Review expenditures of the bond funds that have been made and satisfy themselves that the bond funds have been spent for qualified Measure V projects and not for employee salaries, or other operating expenses.
2. Inform the public of their conclusions.
3. Prepare an annual written report and present that report to the Board of Trustees. The District’s independent financial and performance audits that are required by Prop 39 are separate and apart from the Oversight Committee and those are found under the District’s directions. While copies are given and used by the committee to validate the work they do, the selection of the firm to conduct those audits is not within the jurisdiction of the committee.

The following are the things that the Oversight Committee is not authorized to do.

1. They do not approve construction contracts.
2. They do not sign any contracts.
3. They do not approve change orders.
4. They will not spend any construction funds.
5. They will not approve the sale of bonds.

Most single district campuses usually only have seven members on the oversight committee. The committee should consist of the following:

1. One student who is enrolled and active in the community college support group, such as student senate.
2. One member who is active in a business organization representing the business community in the District.
3. One member who is active in a senior citizens’ organization
4. One member who is active in a support organization for SBCC, such as the Foundation.
5. Two members from the community at large.

Solicitation of members can occur by posting announcements in the local media, on the college website, and also posting announcements around campus. The college president reviews the applications and makes recommendations to the Board of Trustees who ultimately makes the final decision of who will serve on the committee. The committee members shall serve a term of two years. No member can serve for more than two consecutive terms.

The District has a responsibility to provide the committee with the necessary technical and administrative assistance. This expense should be incurred through general funds. Mr. Casnocha noted that the District should appoint a liaison to the committee. Dr. Serban noted that she will attend all the meetings, along with Joe Sullivan and the managers from the construction/project management firm.

The oversight committee is required to meet at least annually. Mr. Casnocha will attend the first meeting to inform them of their roles and responsibilities and to make the suggestion that their meetings be scheduled quarterly with the understanding that meetings may be canceled if there is nothing to report. This is a decision that the committee members will need to make.

The college president will select the Chair to serve for the first two years. After that the committee shall elect the chair.

Approving the by-laws before the selection of the oversight committee is recommended; as the committee members would receive the by-laws along with the application, the applicant would then know what would be expected of them. The committee shall terminate and disband 180 days after the following date when all Measure V funds have been spent.

Mr. Casnocha reported on what the next steps are regarding the issuance of the bonds. Mr. Casnocha suggested that if the board is satisfied with the competitive process of having co-managers then a financing consultant does not need to be brought in, however, if they are not, then they should be open to hiring a financing consultant when the district is ready to sell the bonds. The cost would be around $5,000-$10,000 for an extra set of eyes to help at the moment that is needed.
the most. The district should put together their underwriting team and begin the process for the issuance of the bonds first.

Mr. Casnocha explained the four criteria the rating agencies would look at when evaluating the district:

- The general financial condition of the district
  - The strength of local tax base
  - Debt burden
  - Management

If the Board concurs that it wants the District to sell the bonds, Mr. Casnocha would contact SB County and inquire if the County Board of Supervisors would be willing to approve their request. The funds when received will need to be deposited in the county treasury.

When the decision is made to sell the bonds, the Prop 39 process will begin. The District would need to assemble the financing team, make contact with the county to get them to delegate the authority to sell the bonds; the financial team will help size the first series of bonds. Will need to complete the bond issuance resolutions; prepare a draft document of audit information about the college. Deliver all the documents to the Board for approval. When documents are completed they will be given to the bond rating agencies, the bond insurers (if needed), a presentation will be made to get a rating. When ratings are received the investment bankers/financial advisor will make a recommendation about bond issuance. The bonds would get sold, and the interest rate will get set. About two weeks after the process is completed the cash will be received and deposited in the county treasury. No special requirements are needed for drawing the money out. A meeting will be needed to discuss all the bond documents so that the District is clear on what is needed. From the day the process begins to the day that there is cash in the bank will be about 90 days.

The county should be given a debt service schedule to be on the tax rolls in November. This needs to be submitted in early August. This will be handled by the financial team and staff.

The Fiscal Committee will be reviewing the applications of the underwriters and will be bringing to the Board their recommendations at a future meeting.

2. Administrative Program Review – Attachment 1

President Serban explained that one of the requirements of the accreditation standards is to link planning to budgeting. 90% of the district’s current unrestricted general fund revenue goes to salaries, benefits and fixed costs, that gives the district only 10% to allocate to any other expenses and projects.

This Administrative Program Review would allow the district to make an effort to lay out needs for resources: staff, new budget allocations, facilities, equipment and other resources. All administrative units will be asked to complete this process on an annual basis. It will be labor intensive the first time around. The outcomes will be aligned with the district’s budget. The administrative program review will be discussed at the management retreat on July 15 and will be presented to CPC. The expectation would be that all staff members be involved in the completion of the administrative program review and should not just be completed just by management. In addition, the instructional program reviews will be modified to include the components that are part of the administrative program review related to identification of resources needed.

This was being presented as an informational item and will not require board approval.

Upon motion by Dr. Alexander, seconded by Ms. Livingston, the Board approved adjourning out of study session.
4. ADJOURNMENT

Upon motion by Ms. Livingston, seconded by Dr. Dobbs, the Board approved adjourning this meeting.

The next Regular Meeting of the Board of Trustees will be held on Thursday, July 24, 2008 at 4:00 pm in A211. A Special Meeting will be held on July 19, 2008 and a Study Session will be held on August 14, 2008.

Dr. Andreea M. Serban  
Superintendent/President