MINUTES
BOARD OF TRUSTEES
SANTA BARBARA COMMUNITY COLLEGE DISTRICT
SPECIAL MEETING

Thursday, February 21, 2013
4:00 pm

Room A218C
MacDougall Administration Center
SBCC East Campus
Santa Barbara City College
721 Cliff Drive

The meeting room is wheelchair accessible. The District Office is located at 721 Cliff Drive, Santa Barbara, CA 93109. The following services are available when requests are made by 4:00 p.m. of the day before the meeting: American Sign Language interpreters or use of a reader during a meeting; large print agenda or minutes in alternative format; assistive listening devices. Please contact the Office of the Superintendent/President at (805) 730-4011 if you need assistance in order to participate in a public meeting or if you need the agenda and public documents modified as required by Section 202 of the American with Disabilities Act.

The Office of the Superintendent/President, Room A 110 in the MacDougall Administration Center is the location where documents that are public records relating to any item under discussion on a Board agenda (including documents distributed with the agenda and those distributed to all or a majority of the members of the Board within 72 hours prior to a regular Board meeting or within 24 hours prior to a special meeting) are available for public inspection.

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 Blum called the meeting to order.

1.2 ROLL CALL

Members present:
Marty Blum, President
Marsha Croninger
Veronica Gallardo
Peter Haslund
Marianne Kugler
Lisa Macker, Vice President
Craig Nielsen

Management present:
Lori Gaskin, President and Secretary to the Board of Trustees
Jack Friedlander, Executive Vice President
Joseph Sullivan, Vice President Business Services
Julie Hendricks, Director of Facilities and Campus Development

1.3 WELCOME

President Blum extended a cordial welcome to all.

1.4 HEARING OF CITIZENS

No citizen expressed a wish to address the Board.

2. BOND FEASIBILITY STUDY SESSION

Dr. Gaskin informed Board members that they would be taking a campus tour, after which they would hear presentations from David Casnocha, attorney with Stradling Yocca Carlson & Rauth, regarding placing a bond on the local ballot, and from Catherine Lew of the Lew Edwards Group (LEG). Before the tour, Dr. Gaskin presented a primer which she developed (Information: Facilities Improvement and Bond Measures, February 2013) to provide answers to basic questions about bond measures.

She first addressed the question of bond funding by explaining the Proposition 39 bond measure. Passed in 2000, Prop. 39 reduced the super majority needed to pass a local bond measure, from 67% to 55%. It also allowed for a mechanism that provides the electorate with a voice in order to improve local schools. Furthermore, it stipulates safeguards: Funds can’t be used for salaries, financial audits are required, and a bond oversight committee, as required by education code, monitors the bond measure.

Dr. Gaskin next explained what a bond measure is. In order to raise money for the college to perform renovations or build new buildings, the local electorate votes on a bond measure specifically providing those funds. She clarified that bond measures consist of municipal bonds that are sold to investors through an underwriter. The money to pay back the bond is raised through a property tax assessment.

The bond amount is determined as a balance between institutional needs and what the voters will support.

Bonds are sold in series or sets. They are considered a safe investment, are tax exempt, and appeal to investors who want to support the public infrastructure.

Dr. Gaskin briefly explained that bond interest rates are determined by world and local economic factors. She observed that tax-back bonds are considered safer and thus assess a lower interest rate compared to non-tax back bonds. She also touched on how individual tax assessments are levied. She stated that the underwriter and bond counsel is paid by the premium once the bonds are sold.

Following the campus tour of facilities, board members and guests returned and David Casnocha
explained the process of placing a bond measure on the ballot. He referred to his handout (Santa Barbara Community College District Process to June 3, 2014 and November 4, 2014 Proposition 30 Bond Election) which provided a timeline of actions leading to the bond election and receipt of bond money. He mentioned that there are limits to when a community college district can call for a bond election, and that the next dates available for us to do so are 6/3/14 and 11/4/14. He noted that at least 2/3 of the board members have to approve the resolution calling for a bond election and must deliver the resolution to the county registrar of voters no later than 88 days before election date. The resolution would include the ballot language, the project list, the par amount of the bond, and a tax rate statement informing voters of the cost of the bond to them; it would not include what the estimated tax rate for the bonds would be. Thus, by late February or late July 2014 depending on the election, our plans for the bond measure would need to be completed and board approved.

Catherine Lew provided an explanation of what her firm does i.e. raise revenue or bond money for public agencies. She noted that LEG specializes in community college districts and that they have found that voters are willing to support community colleges because of their affordability and link to our revitalized economy. She mentioned that voter concerns regarding the increasing costs of a college education, having a skilled local workforce, and providing programs which serve students wanting to reenter the work force are linked to successful bond campaigns. She referenced the bond measure campaigns of West Valley Mission Community College and Coast Community College District. Like Mr. Casnocha, she recommended reaching out to internal and external stakeholders as was done in the 2008 bond campaign. Ms. Lew elaborated on the demographic differences between June and November ballots and how they might potentially impact our bond measure.

Further questions and discussion ensued. Dr. Gaskin reiterated that she is looking for direction from the Board to proceed to the next step. The issue will be revisited at the March 2013 Study Session.

3. ADJOURNMENT

President Blum adjourned the meeting.

APPROVED BY THE BOARD OF TRUSTEES ON August 8, 2013

Marty Blum
President, Board of Trustees

Superintendent/President
Secretary/Clerk of the Board