



## Board of Trustees Budget Committee Special Meeting Agenda – February 23, 2017, 10:00 a.m.

SBCCD-Board Room, 114 S. Del Rosa Drive, San Bernardino CA 92408

### I. Welcome & Introductions

Gloria Macias Harrison, Chair

### II. Public Comment

Any member of the public who wishes to address the Committee on any matter is limited to five minutes. The total time for members of the public to speak on the same or a similar issue shall be limited to 20 minutes.

### III. Approval of Minutes

Approve Minutes from February 2, 2017

### IV. New Topics

- A. FCC Auction
- B. Facilities Master Plan Prioritized List

### V. Updates

- A. Solar Electric Procurement Project
- B. Bookstore
- C. 2017 Early Retirement Incentive
- D. Bond Construction
- E. 2017-18 Budget Development
- F. Enrollment

### VI. Future Topics

- A. Centralization of Services
- B. Grant Compliance
- C. EDCT Fund
- D. Trustee Suggestions

### VII. Adjournment

Next Meeting Scheduled for April 13, 2017 at 10 a.m. at CHC.

### Meeting Minutes

February 2, 2017

Members Present – **Donna Ferracone, Gloria Macías Harrison, Mike Strong, Jose Torres, Scott Stark**

Members Absent – **Joseph Williams, Larry Strong**

Guests Present – **Tenille Alexander**, SBCCD Accounting Manager; **Glen Kuck**, Associate Vice Chancellor, TESS; **Clyde Murley**, Murley Consulting Group; **Steve Nielsen**, MuniBond Solar; **Steve Sarres**, SBVC ASG Finance

#### I. Welcome & Introductions

Gloria called the meeting to order at 8:32 a.m. Self-introductions were made.

#### II. Public Comment

There were no public comments.

#### III. Approval of Prior Meeting Minutes

Gloria made a motion to approve the minutes of January 5, 2017. Donna seconded and the minutes were approved by the following vote:

Ayes: Gloria, Donna, Jose, Mike  
Noes: None  
Absent: Joseph, Larry  
Abstentions: Scott

#### IV. New Topics

##### A. Solar Facilities & Financing Presentation

Jose began the presentation entitled Potential Solar Electric Procurement Project. He introduced Clyde Murley and Steve Nielsen, who each spoke briefly about themselves. Clyde is the principal of Murley Consulting Group which has been working with the Community College League of California (CCLC) for several years in the capacity of solar program consultant. Since 2009, he has seen more than 60 different solar projects built. Clyde works on behalf of the League and, therefore, the districts. He wants to get SBCCD the very best deal he can and one of his main focuses is ensuring that the solar systems come with a 25-year guarantee.

Steve works for MuniBond Solar and is a registered municipal financial advisor. Steve stated that he has a fiduciary responsibility to get the best financing for his customers. His sole business now and for the past six years is financing energy projects owned by local districts.

During the presentation Clyde clarified that \$10 million is an informed estimate for the cost of the proposed project. The actual cost will be revealed during a Request for Proposal (RFP) process. One of the challenges in figuring the cost benefits of a solar project is that utility rates never stay the same. The rates for which SBCCD is currently eligible could change over the next couple years. More information about potential rate changes should be available in the coming months, however, SBCCD could still get started with an RFP.

Gloria asked which community college has the oldest solar system and whether or not this project would entail an agreement with Edison regarding credits for excess energy produced. She wondered how long it would take for the cost of the project to be recouped.

Clyde advised that the oldest solar project was likely Butte College in 2005. However, that college did not use the CCLC or get a system guarantee and is now experiencing operation and maintenance (O&M) issues. The capture of savings from excess energy production is known as net energy metering, and has the effect of turning a meter backward. The numbers in today's presentation do factor in net energy metering. He went on to state that if there were no net energy metering, CCLC would not propose such a large system. Steve commented that it is the certainty in current solar technology that allows the financing of these systems.

Clyde further explained that the solar systems being soliciting at this time have about 99% "up time." The guarantee ensures that the system will produce at a negotiated percentage (approximately 95-97%) and if the system does not, the vendor agrees to give SBCCD a check for the difference in savings. He mentioned that kilowatt hours (kWh) produced past the point when net energy metering is maximized are given back to the grid. As of July 1, 2017 there will no longer be a 1 megawatt (MW) cap on net energy metering.

Clyde estimates that the system will recoup its cost in about 15-16 years. However, Jose added, the way this project and its financing are structured, SBCCD is positioned to receive savings every year. This is because the savings on energy will exceed the payment of financing.

Regarding financing of the project, Steve mentioned that it's easier to ask for more Clean Renewable Energy Bonds than less; super-sizing is smart because the allocation is like a reservation. If we don't ask for enough, we will have to start the process all over again and there is no penalty for giving the bonds back. CREBs can finance 100% of the project. After they are awarded, a district has 180 days to issue the bonds and three years to build the project. The anticipated timing is that a board approves the bond issuance at the same time an RFP gets awarded.

Clyde spoke about Edison changing its peak period from its current time (12 pm-6 pm) to 5 pm-10 pm. This change can impact the determination of the size and layout at SBVC. Gloria commented that even 50% savings is worthwhile and confirmed with Scott that sustainability is discussed in the SBVC master plan.

Committee members revised the proposed layouts and discussed the aesthetics of the solar panels. One challenge is that these panels cannot be located within 50 feet of a fault line. Consideration was also given to sites already targeted by the master plan for a softball field and a parking structure. Clyde mentioned that the cost estimate assumes solar panels that are constructed using Division of the State Architect (DSA) pre-checked designs. Deviation from those panels for aesthetic or other reasons could double the cost of the project.

The next steps were discussed and Donna mentioned California Code 4217 requiring a public hearing and board finding that a project is self-funding. Gloria advised that she will report on the results of the BBC's exploration of this project at the February meeting to prepare for a possible CREBs resolution at the March board of trustees meeting. She feels it is important to announce that the taxpayers will not bear the cost of this project. Mike added that in fact the CREBs would go to fund a project which would ultimately reduce operation costs.

*Clyde and Steve left the meeting after the presentation, approximately 9:40 a.m.*

#### **B. District Office Program Review**

Glen presented material on this topic. Donna advised that she wanted to determine that the district office was going through the same program review process as the campuses and she could not find adequate information online. Glen confirmed that district office uses the same process as CHC. He advised that the program review form is completed by department staff and reviewed and prioritized by each area manager. The prioritized needs list gets submitted to the District Budget Committee. The process is improving, however, we need to even better document the procedures and communicate with SBCCD as a whole. Glen also mentioned that the ACCJC committee is working to develop a master timeline to summarize plan progress throughout the SBCCD. Jose advised that facilities projects have been prioritized and can be added to the March BBC agenda.

*Mike had to leave the meeting at 10:11 a.m.*

#### **C. 2017-18 BOT Budget Development**

Committee members discussed a handout depicting the Board of Trustees budget for 2017-18. It was mentioned that Fiscal Services staff had worked with Executive Administrative Assistant Stacey Nikac on the budgeted expenditures. Meals and refreshments have been separated from the travel expenses. Committee members reviewed several of the expenses and thought the budget looked appropriate. Gloria advised that she wants to include the spreadsheet in her summary to the Board of Trustees.

### **V. Updates**

#### **A. Bookstore**

SBCCD is engaged in negotiations over the bookstore. CSEA has the first proposal and will meet with the District again in February. Jose is conducting a survey of other community college districts on this topic. He reported that we have met with bookstore management and would also like to meet with bookstore employees, however, this is precluded by the union.

#### **B. 2017 Early Retirement Incentive**

Employee meetings are being conducted this week.

#### **C. Bond Construction** (Discussion of this topic waived.)

#### **D. 2017-18 Budget**

Jose reported that the district office budget is being finalized. The campuses will receive information about the assessment on their budgets this month. Increases to last year's expenditures are being caused by escalation in the cost of PERS/STRS and benefits.

#### **E. Enrollment**

Current projections indicate that SBVC may be able to meet and possibly exceed its goal. They are experiencing great numbers for spring. CHC is attempting an aggressive schedule but may not meet its goal. The census is next week. Gloria voiced her concern about SBVC's marketing flier containing the term 'free college' in referring to the no drop for nonpayment pilot. Scott agreed that this flier should not have contained that language. He advised that SBVC is watching the amount of nonpayment very closely and communicating regularly with the students. He estimates that \$400,000 in tuition fees are currently unpaid but that a big portion of this will be covered by financial aid. Jose promised to send out an update about enrollment.

#### **VI. Future Topics**

There was no discussion of future topics. The list will remain the same.

#### **VII. Adjournment**

The next meeting is scheduled for March 2, 2107. Committee members decided to change the start time to 8:30 a.m. due to the ACCJC task force meeting scheduled for noon that day. Beginning in April the regularly scheduled occurrence of the BOT Budget Committee meeting will be changed to the second Thursday of the month at 10:00 a.m.

The meeting was adjourned at 10:42 a.m.

Not Yet Approved