



## Board of Trustees Budget Committee (BBC)

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

### Meeting Minutes

February 23, 2017

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

Members Absent – **Joseph Williams, Scott Stark**

Guests Present – **Angel Rodriguez**, Director of Marketing, Public Affairs & Government Relations; **Erika Almaraz**, Director of Internal Audits; **Hussain Agah**, Director of Facilities, Planning & Construction

#### I. Welcome & Introductions

Gloria called the meeting to order at 10:02 a.m. Due to technical setup occurring in the larger board room, the meeting convened in the conference room behind the horseshoe. Signs were posted in order to direct members of the public to that room and the door remained opened. Gloria mentioned that Joseph had advised the group he could not attend today's meeting, and Mike commented that Scott was out due to an illness. No introductions were necessary.

#### II. Public Comment

There were no members of the public present; no public comment was made.

#### III. Approval of Prior Meeting Minutes

Committee members reviewed the minutes of February 2, 2017. Donna made a motion to approve the minutes, which Jose seconded. The motion was approved by the following vote:

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

#### IV. New Topics

##### A. FCC Auction

Gloria questioned whether or not members of the committee were free to discuss this topic given the nondisclosure agreements that had been previously signed. Jose confirmed that the current meeting was open to the public, that the FCC had lifted its ban on communication, and that the details of the auction were now public information and could be discussed per direction from legal counsel.

Jose reviewed the FCC Auction Overview handout. He advised that an offer has been made for the UHF bandwidth currently used by KVCR and, once it is accepted, SBCCD will receive \$157 million. It is anticipated that the FCC will officially release this information in 4-6 weeks

*Kelly Goodrich, Recorder*

and it is important that SBCCD take a proactive approach. Gloria asked if the proceeds would be received in one lump sum and Jose clarified that they would.

Committee members discussed the proposed action handout which suggests the BOT as a whole discuss this income and determine how it will be invested (not spent). Gloria mentioned her recollection of a previous BOT discussion regarding a 70/30, KVCR/SBCCD split. Jose said he did not believe this was board approved, but that he would make certain. The comment was made that this is one time money. In Jose's opinion SBCCD should be strategic and invest the money in order to receive interest income on a regular basis.

Investment and monitoring of these proceeds will require a lot of effort. Jose stated his opinion that the BBC do this work and report to the BOT. Gloria commented that if SBCCD wants a steady, consistent revenue it is important to have a varied portfolio. That would require a financial advisor. The nature of an investment should correlate with the investor's purpose.

Several items were mentioned that need to be considered, including SBCCD's request for KVCR to become self-sufficient; discussions out of Washington, DC that funding to public broadcasting may change; the current leadership change at KVCR; and the cost of developing local programming. It was felt that an estimate should be developed on how much it would cost for KVCR to function independently for three years. That amount could be set aside as KVCR reserves and not be part of the investment.

Jose will be working with the new leadership to construct a solid budget. Donna felt that KVCR needs to be reviewed as a whole. She doesn't feel comfortable going through this process with an interim person. The BOT desires KVCR to become self-sustaining. Gloria added that it is important that KVCR become an educational media hub/training center for the region. Donna commented that faculty and operating costs currently borne by SBVC need to be considered.

Jose agreed and commented that this is one reason for the proposed plan. He clarified that he is not suggesting the proceeds be split, rather that the funds be invested instead. This will allow time to understand where KVCR is going under its new leadership. Gloria commented that some of the investment should be fluid in order to protect KVCR as an asset of SBCCD.

BBC members reviewed a proposed board item that recommends the BBC be appointed the task of developing an action plan to address these issues. After some revisions to the language, Donna made a motion that the item be placed on the March agenda. Mike seconded the motion and it was approved by the following vote:

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

Angel advised that there will be a press release on Monday morning.

*At 11:12 the group moved into the larger board room area in order to view the Facilities Master Plan presentation. Os Parada and Laz Mascarenas had completed the technical setup. Hussain joined the group to make the presentation.*

## **B. Facilities Master Plan Prioritized List**

Committee members received a PowerPoint presentation on the Facilities Master Plan Prioritized list. Gloria asked how many of the proposed projects SBCCD is realistically prepared to fund. The answer was none at the current time. Gloria advised that this information would be very helpful to the BOT as it is faced with decisions down the road.

## **V. Updates**

### **A. Solar Electric Procurement**

No update.

### **B. Bookstore**

No update.

### **C. Early Retirement Incentive**

Currently it is anticipated that 6 certificated and 5 classified employees will participate in the Early Retirement Plan. There are another 5 classified employees and 1 certificated employee that have expressed interest.

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

No update.

### **E. Enrollment**

Gloria mentioned the concern that there will be a drop in enrollment due to Deferred Action for Childhood Arrivals (DACA) students not wanting to self-identify. This drop needs to be accounted for.

## **VI. Future Topics**

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

## **VII. Adjournment**

In light of today's special meeting, the March 2 occurrence of the BBC will be cancelled. Beginning in April, the BBC has chosen to meet on the same day as the regularly scheduled BOT business meetings at 10:00 a.m. The next meeting is scheduled for April 14 at 10:00 a.m.

The meeting was adjourned at 11:48 a.m.