



Board of Trustees Finance Committee (BFC)

SBCCD Boardroom Extension, 550 E. Hospitality Lane, Suite 200, San Bernardino CA

Meeting Minutes – December 12, 2019, 2:00 pm

Members Present – Gloria Macías Harrison, Chair; Anne Viricel

Members Absent – Don Singer

Additional Trustees Present – Frank Reyes, Stephanie Houston, Joseph Williams

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

I. WELCOME & INTRODUCTIONS

Trustee Harrison called the meeting to order at 2:00 pm.

II. PUBLIC COMMENT

There were no public comments.

III. APPROVAL OF MINUTES FROM NOVEMBER 14, 2019

Trustee Viricel made a motion to approve the minutes of November 14, 2019, which Trustee Harrison seconded. The minutes were approved by the following vote.

Ayes:	Harrison, Viricel
Noes:	None
Abstentions:	None
Absent:	Singer

IV. CURRENT TOPICS

A. KVCR

Executive Vice Chancellor Torres opened the discussion of KVCR, recalling that the station had been the topic of the November 7 study session. He mentioned that the trustees had come away from that meeting with several serious concerns, including the source of revenues, the large amount of permanent positions projected, and the appropriateness of liquidating the \$12 million FCC Auction Proceeds endowment. Mr. Torres then proposed that the Board approve distribution of \$2 million from the KVCR endowment proceeds in order to allow staff to continue KVCR operations, evaluate and implement specific activities and funding sources, develop a phased-in approach to adding permanent positions, and keep the principal/corpus untouched.

Trustee Harrison commented that the Board had been asked to make decisions without adequate information, for example where KVCR has been, where it is now, where it is headed, what the challenges are, and how they would be met. She commented that the Board needs to decide if SBCCD should retain KVCR and if so, how that could be achieved. She hoped there would be better information presented at the upcoming December 19 study session.

Kelly Goodrich, Recorder

Trustee Viricel asked for a timeline for expenditure of the proposed \$2 million distribution. Mr. Torres advised that KVCR needs funds to continue operating; some positions need to be filled right now. Vice Chancellor Richard Galope, as the lead of KVCR, needs to make that decision and can do so with the Board's guidance. However, based on information Mr. Torres has been given, a comprehensive report cannot be prepared in time for next Thursday's study session. He proposed that the Board add KVCR to its upcoming retreat on January 30, 2020.

Trustee Houston commented that, as a relatively new trustee, she is not confident in regard to the Board's position on KVCR and feels that the information received to date has been insufficient to formulate any type of strategy. She stated that in order to move beyond commentary and opinion to one voice as a Board requires firm data on where we've been, where we are, and what is needed to keep the status quo. In other words, not just budget data, but impact data. KVCR is a huge expenditure of funds that could otherwise be going to the students. Continuing to fund KVCR, indicates a conscious decision to say that students don't need these dollars. She hasn't heard that. Trustee Viricel voiced her agreement.

Trustee Houston shared her experience as a Board member with the formation of the IFF [Inland Futures Foundation], and the problems entailed. She questioned how it was possible that the District would convene a meeting that is subject to the Brown Act but not give notice. She observed that, to date, she hasn't seen that IFF has done anything of substance. There have been projections but no actuals, or details of how the foundation impacts students.

Trustee Reyes was also very concerned. He commented that SBCCD has been fortunate to receive grants, but expressed concern that the funds will run out. He has heard that the District applied for another grant with San Manuel but didn't get it. Trustee Harrison shared information that she had received that the Tribe [San Manuel Band of Mission Indians], which has given SBCCD over \$16.5 million in grants, is not satisfied with what has been produced for FNX. Further, the District missed the deadline for submitting a grant. In response, The Tribe has placed SBCCD on a moratorium for a year. Trustee Harrison sits on a committee of FNX and further commented that the reports that went to the tribe have not been of good quality or answered questions. Her integrity and that of the District suffers from inferior reporting. Trustees Houston and Reyes expressed concern over these issues and discussed accountability.

Trustee Viricel questioned if the BFC was being asked to take any action in this meeting in regard to allocation of funds. Executive Vice Chancellor Torres advised her they were not, however, the District needs to fund KVCR. The station does not have enough revenues. Its budget was in deficit when adopted in September, and that was prior to the cancellation of the \$2.5 million FNX grant.

Committee members agreed that a comprehensive report and proposed strategy would not be ready for the December 19 study session. Instead, the Board should add this item to the January 30, 2020 study session. Trustee Viricel clarified that the distribution of proceeds is not related to the endowment for the media academy. Trustee Houston asked about the positions on the night's Board agenda. Mr. Torres advised that the positions are

original and necessary for operations. Trustee Harrison recalled that Trustee Houston was to have been part of a committee to look into KVCR and report back to the Board.

Trustee Houston confirmed that she, Chancellor Baron, Executive Vice Chancellor Torres and Vice Chancellor Galope were to meet. On the day of the meeting, the Chancellor was not in attendance and Vice Chancellor Galope joined by phone. It was a difficult meeting because the Chancellor was absent. However, it validated for her that staff was possibly acting on the desires of one Board member and didn't know what the Board, as a whole, wanted in regard to this asset.

Committee members discussed the meeting scheduled for December 19, since KVCR would no longer be an agenda item.

B. Board of Trustees Directives for 2020-21 Budget

Committee members looked at the directives. Trustee Harrison advised that this Board item should also be discussed at the January 30, 2020 retreat.

V. UPDATES (as necessary)

A. PARS Investment Report

This topic was not discussed.

B. Use of FCC Auction Proceeds

Committee members discussed the FCC auction proceeds on page 8 of the meeting materials, asking about the night's Board agenda item on guiding principles. Executive Vice Chancellor Torres provided a brief history, advising that the guiding principles were developed collegially back in 2017, including a first and second read by the Board of trustees. The Board Finance Committee subsequently requested that the principles be reviewed and reaffirmed annually thereafter. The principles were reaffirmed in December 2018, and are being presented again at this evening's meeting.

Trustee Viricel commented that there were no changes indicated. Trustee Williams advised that the Chancellor had proposed a change in the principles to allow for a one-time expenditure. Mr. Torres clarified that principle 9. already allows for one-time expenditures and suggested that the Board may want to change the item back to *reaffirm* from *first reading*.

VII. ADJOURNMENT

The meeting adjourned at 3:03 pm without discussion of any further topics. The next meeting is scheduled for January 9, 2020, at 2 pm in the Boardroom Extension.