



Board of Trustees Finance Committee (BFC)

Meeting Minutes – April 8, 2021, 2:00 p.m.

Via Zoom: <https://cccconfer.zoom.us/j/549449972>

Members Present: Trustee Harrison, Chair; Trustee Houston, Trustee Singer

Members Absent: None

Other Board Members Present: Trustee Reyes, Trustee Viricel

Staff Present:

- Interim Chancellor Jose Torres
- Presidents Kevin Horan and Diana Rodriguez
- Interim Vice Chancellor of Business & Fiscal Jim Buysse
- Vice President of Administrative Services Mike Strong
- Director of Facilities Planning Farrah Farzaneh
- Director of Fiscal Services Larry Strong

I. WELCOME & INTRODUCTIONS

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

II. PUBLIC COMMENT

There were no public comments.

III. APPROVAL OF MINUTES FOR February 11, 2021

Trustee Singer made a motion, which Trustee Harrison seconded to approve the minutes of February 11, 2021. The minutes were approved by the following vote.

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

IV. CURRENT TOPICS

Commercial Property

a. Performance as of December 31, 2020

Interim Vice Chancellor Jim Buysse reviewed with the committee the property performance as of December 31.

b. Presentation by Property Manager Hines

Director of Facilities Planning Farzaneh thanked the committee for allowing her to share information on this investment. She introduced Ashley White from Hines, who is the property manager. Ms. White reported that occupancy was about 75% when SBCCD took over the buildings; it was then brought up to 90%. As of this coming

Kelly Goodrich, Recorder

June, however, the District will lose two tenants, causing a dip in occupancy to about 79%.

Ms. White informed the BFC that CBRE [Caldwell Banker Real Estate], which is the firm that handles the leasing of the properties, had provided her some insight into the current market which she proceeded to share. Rental activity has picked up in the past couple weeks and this is consistent in the industry as most companies are assessing post pandemic needs. Large tenants are not in the market right now; however, it is anticipated that everyone will want to return to work after summer. CBRE research projects the two large SBCCD vacancies to be leased by 2022. The firm also recommends that SBCCD explore the possibilities of building out the suites to market-ready spaces for smaller clients.

Director Farzaneh shared with the group some of the meeting materials and commented that SBCCD is doing extremely well given the current conditions. Hines is working hard to keep the tenants engaged and providing good customer service. She asked that everyone, especially trustees with all their connections, spread the news that there is a 16,642 square foot prime space for lease.

Interim Chancellor Torres commented that the County Department of Workforce Development (which is one of the tenants that will be leaving) was motivated to move in order to centralize its operations in one building. He is under the impression that they found a location somewhere near the mall and that is why they are now exercising their option not to renew. SBCCD has other tenants on other floors in that building and can't accommodate the whole department.

Interim Torres reviewed the handout with BFC members and highlighted the charts indicating where to find information regarding tenants and occupancy.

North River (658 E. Brier)

Floor	Property Name	Address	Lease End	Square Footage	Notes
3	Employment Development Center	300	10/31/2027	14,971	
	County of SB - Call Center	350	8/30/2030	10,142	
					NRA -174
2	County of San Bernardino - CYCS / CTASC			24,789	
		200/250	4/30/2029		
1	County of San Bernardino	100	7/31/2022	16,642	Vacate planned June 7 2021
	County of San Bernardino	150	4/30/2027	4,986	
					Total Available + Leased: 71,356

It was confirmed that if any of the trustees got a lead on the available property, it should be forwarded to Interim Chancellor Torres.

V. UPDATES

A. State Budget

There was no written report for this item. Interim Vice Chancellor Buysse commented that the District is better off than anticipated at the start of the pandemic. He advised that a large amount of federal stimulus has been received and mentioned that the

Governor's May revise is just around the corner. For now, all is quiet and he is hopeful that the state will choose to pay off its deferrals. Trustee Harrison confirmed with staff that the approximate amount of deferrals for SBCCD is \$30 million.

B. COVID-19 Expenditures

Director of Fiscal Services Strong went over this report, which was shared onscreen. There is quite a bit of funding from the federal government, which is available now and ready to be drawn upon as needed. Trustee Reyes stated his assumption that the District will do its best to utilize all the funds. Trustee Houston spoke about opportunities for the funds to be used to pay student workers in apprenticeship roles. SBCCD currently does not have paid apprentices.

Interim Chancellor Torres advised that the EDCT is working to develop an apprenticeship program under the SD1 grant. In addition, the Community Benefits Agreement related to the District's bond program contains apprenticeship considerations. Committee members further discussed possibilities for the best way to use the funds, including the development of apprenticeship program for students.

One of the expenditure guidelines is to use the funds to bring students back to the community colleges as enrollment is down about 20% statewide. Chancellor's Cabinet is exploring these issues and Interim Chancellor Torres advised that he will provide the BFC with information regarding the allowable expenditures.

D. PARS Report

Trustee Houston mentioned that the page of the PARS Report that talks about Board Action mentions an allotment to the Media Academy. However, today's Board agenda item regarding KVCR references the Institute of Media Arts (IMA). She expressed her desire to promote clarity with regard to the FCC auction proceeds and asked what the difference is between the two terms. President Rodriguez agreed that the situation can be confusing. She shared that SBVC had a Media Academy for over ten years. However, the term *Media Academy* in the PARS Report, refers to an initiative to support the establishment of a Media Academy across the District.

SBVC has since rebranded its original Media Academy as the Institute for Media Arts, leaving the term *Media Academy* to refer to the overarching Districtwide initiative. President Horan added that the CHC program is called Digital Media and serves as the backend whereas SBVC's program serves the front end.

Trustee Harrison recalled that when the funds were allocated, the Media Academy was just a concept. Over time, staff and faculty have developed the concept and the two programs – one at each campus.

E. Measure CC Timeline & Org Chart

Director Farzaneh recapped the April to June 2021 items on the report. Trustee Reyes talked about the Board agenda items for tonight's meeting awarding contracts for CM services. He expressed the importance of engaging local businesses and local

hires. Trustee Harrison stated her confidence in the process followed by District staff in the selection of vendors.

F. Budget Revenue & Expenditure

There were no questions on this report.

G. 2019-20 Board of Trustees Budget

There were no questions on this report.

VI. FUTURE TOPICS

A. Trustee Suggestions

The BFC members expressed the desire to discuss at the next meeting the status of the bond measure, the State Budget, and parameters for the expenditure of the COVID-19 funds.

B. Deferred Maintenance

Trustee Harrison would like to discuss Deferred Maintenance.

VII. ADJOURNMENT

The next meeting of the Board Finance Committee is scheduled for Thursday, May 13, 2021, at 2:00 p.m. via Zoom. Adjourned at 3:05 p.m.