

**Minutes of the Meeting of the Board of Trustees
San Mateo County Community College District
June 27, 2007
San Mateo, CA**

The meeting was called to order at 6:05 p.m.

Board Members Present: President Hausman, Vice President-Clerk Holoher, Trustees Mandelkern, Miljanich and Schwarz, and Student Trustee Young

Others Present: Chancellor Galatolo, Executive Vice Chancellor Keller, Skyline Vice President Adrian, CSM President Claire, Cañada President Mohr, and District Academic Senate President Kapp

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

None

MINUTES

It was moved by Trustee Miljanich and seconded by Trustee Schwarz to approve the minutes of the Study Session of the Board of June 13, 2007.

Vice President Holoher asked that clarification be added with regard to the District's reserve policy, which was discussed during the Study Session. He stated that he wants the minutes to reflect that the level of the reserve is a ~~Board policy matter which needs very thorough review and discussion before a decision is made about the~~ appropriate level of the reserve.

Trustee Mandelkern asked if there was an update regarding the selection of the Student Trustee; Chancellor Galatolo responded that the District has not heard anything further about this matter.

After this discussion, the motion to approve the minutes carried, all members voting "Aye."

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

None

STATEMENTS FROM EXECUTIVES

Executive Reports were presented by Chancellor Galatolo, Skyline College Vice President Adrian, College of San Mateo President Claire, Cañada College President Mohr, Executive Vice Chancellor Keller and District Academic Senate President Kapp. Copies of the Presidents' Executive Reports were available for distribution at the meeting and are attached to the official minutes of record.

Chancellor Galatolo reported that he and President Mohr talked with the City Council of Redwood City about the CEQA Initial Study and other items regarding the proposed housing project at Cañada College. Chancellor Galatolo invited the Council to hold a joint meeting with the Board of Trustees to discuss the project and to tour Cañada.

Chancellor Galatolo displayed the "Gold Nugget Award" received by the District at the Pacific Coast Builders Conference. Director of Community/Government Relations Barbara Christensen and President Hausman both said they attended the awards ceremony.

Director Christensen said she attended the June 25 meeting of the Woodside Fire Protection District and received approval for de-annexation of the portion of the proposed faculty/staff housing site which is located in the Town of Woodside.

Director Christensen hosted a community meeting at Cañada College on June 26. President Mohr, Trustee Schwarz and District Academic Senate President-elect Patty Dilko were also in attendance as well as the architect and developer. Six hundred letters were sent to residents in the surrounding neighborhoods inviting them to the meeting. Approximately 20 people attended the meeting. In response to a resident's question as to why the project would be open to all employees rather than just faculty, President-elect Dilko said that all employees of the District are important and the faculty believes they could not be as effective as they are without the help of staff. Other questions concerned traffic and security issues. President Mohr and Trustee Schwarz commented that Director Christensen answered all questions accurately and with composure.

Director Christensen said that, as part of the approval process for the housing project, the development team is planning on constructing story poles so that people can see where the project will be situated. She is also preparing a profile of College Vista residents in order to help answer questions about who lives in faculty/staff housing and what services those residents need. She noted that 59% of College Vista residents work at either College of San Mateo or the District Office and walk to work.

Trustee Miljanich asked if any organizers from the group of Redwood City residents who were opposed to Measure Q were at the meeting. Director Christensen said she did not get a sense that this group was represented. Trustee Mandelkern suggested meeting with Ralph Nobles. Vice President Holober recommended emphasizing that this project fits the smart growth concept because people will live closer to work and, therefore, fewer cars will be on the road.

Vice President Adrian highlighted items in the written Executive Report from Skyline College.

Adding to his written report, President Claire welcomed Susan Estes as the new Vice President, Instruction. He also announced that the Planetarium is reopened and thanked Vice Chancellor José Nuñez and staff as well as Professors Mohsen Janatpour and Darryl Stanford. A new Star projector will be delivered within the next several months; a substitute is being used and is working well.

Adding to his written report, President Mohr noted that there is a 90% retention rate in the Upward Bound Program, and a 100% graduation rate. President Mohr also said that he knows three talented staff members who are residents of College Vista and who would not be working in the District if this housing was not available to them. President Mohr provided photographs of Cañada Building 9 and of the Quad and said they have had a tremendous positive impact for faculty, staff and students.

Executive Vice Chancellor Keller said that visitors from the Napa Unified School District came to tour the athletic facilities at the three Colleges; sustainability and use of the facilities by the community were emphasized. Today, Executive Vice Chancellor Keller and others toured the revitalized Bookstore at Cañada College.

Executive Vice Chancellor Keller said that a couple of years ago, Chief Financial Officer Kathy Blackwood presented an explanation to the State Chancellor's Office about the triple flip and its negative impact on community colleges. He said that now the State Chancellor's Office is starting to take notice and recognize the problem.

District Academic Senate President Kapp said that his activities are overlapping with those of President-elect Patty Dilko. President Kapp's term ends at the end of July. President Kapp said that, with regard to concurrent enrollment, the Academic Senate is working with AFT to maintain high quality.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None

NEW BUSINESS

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (07-6-2A)

It was moved by Vice President Holoher and seconded by Trustee Mandelkern to approve the actions in Board Report No. 07-6-2A. The motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA

President Hausman announced that Consent Agenda Report No. 07-6-10CA, Approval to Execute Cell Site Use Permit with Omnipoint Communications, Inc. (T-Mobile) – Skyline College, will be deferred and is removed from the Consent Agenda.

The Consent Agenda consists of the following Board Reports:

- 07-6-3CA Approval of Payment to the South Bay Regional Public Safety Training Consortium for the 2007-08 Peace Officers Training Academy, College of San Mateo
- 07-6-4CA Declaration of Surplus Property
- 07-6-5CA Contract Renewal with Descalso Lithograph, Inc., 2007-08 – KCSM
- 07-6-6CA Approval of Service Agreement with Tele-Direct for Pledge Call Center Services, 2007-08 – KCSM
- 07-6-7CA Approval of Service Agreement with Goodman Marketing Partners for Membership Services, 2007-08 – KCSM
- 07-6-8CA Approval of PBS Membership Dues and Program Service Purchases, 2007-08 – KCSM-TV
- 07-6-9CA Approval of Membership in PBS Station Independence Program (SIP), 2007-08 – KCSM
- 07-6-11CA Contract Extension for Unit Price Acoustic Treatments, Districtwide
- 07-6-12CA Contract Extension for Unit Price Window Treatment, Districtwide
- 07-6-13CA Approval of Budgetary Transfers for the Period Ending May 31, 2007 and Adoption of Resolution No. 07-5 Authorizing Budgetary Transfers for 2006-07
- 07-6-14CA Approval of Trustees' Fund for Program Improvement Projects for Cañada College, College of San Mateo and Skyline College
- 07-6-15CA Acceptance of External Funds from the State of California Department of Rehabilitation and Adoption of Resolution No. 07-6 Authorizing Execution of Agreement
- 07-6-16CA Adoption of Resolution No. 07-7 Establishing 2007-08 Budget Limits
- 07-6-17CA Approval of Student Accidental Injury Insurance Program, 2007-08
- 07-6-18CA Acceptance of External Funds

It was moved by Trustee Schwarz and seconded by Vice President Holoher to approve the items on the Consent Agenda. The motion carried, all members voting "Aye."

Other Recommendations

CURRICULAR ADDITIONS AND DELETIONS – CAÑADA COLLEGE, COLLEGE OF SAN MATEO, AND SKYLINE COLLEGE (07-6-2B)

It was moved by Trustee Mandelkern and seconded by Trustee Schwarz to approve the curricular additions and deletions as presented in the report. The motion carried, all members voting "Aye."

REVISION TO DISTRICT RULES AND REGULATIONS, SECTION 7.35, ACADEMIC STANDARDS (07-6-3B)

It was moved by Student Trustee Young and seconded by Vice President Holober to approve the revision to District Rules and Regulations, Section 7.35 as presented in the report. Trustee Schwarz asked if all community colleges have the same policy on withdrawals. President Kapp said that he does not believe there is legislation on this issue, but that it is District policy. Chancellor Galatolo said staff will follow up to confirm. After this discussion, the motion carried, all members voting "Aye."

APPROVAL OF RESOLUTION NO. 07-8 IN SUPPORT OF CALIFORNIA STATE SENATE BILL 840, THE SINGLE PAYER HEALTH CARE SYSTEM (07-6-4B)

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to approve Resolution No. 07-8.

Vice President Holober said he believes this issue affects the budget and fiscal stability of the District as well as the health of people in the county, state and nation. He distributed a report, *Health Care Spending in the United States and OECD Countries*. Vice President Holober said the report shows that, in comparison with other modern democracies, the United States spends the most on health care but covers fewer people and there are also many underinsured Americans. In addition, the United States has some of the worst outcomes, including lower life expectancies and higher infant mortality rates. Vice President Holober said that other countries have recognized health care as a basic human right.

Vice President Holober said that health care is a complex issue without easy answers, but SB 840 addresses the issue by removing health care from reliance on the private, for-profit delivery system. It establishes a single payer or medicare-for-all system. The State would be the purchaser and would work with doctors and hospitals. Consumers would have full choice of providers. Thirty percent of private insurance dollars, and only 3% of medicare dollars, are spent on administration rather than on the provision of health care. SMCCCD provides coverage for employees and retirees through CalPERS, which purchases from private insurers.

SB 840 establishes a payroll tax by which the first \$7,000 is not taxed, and \$7,001 and over is taxed at 8.3%. The District would pay for both the employer and the worker portion, which would be a combined amount in the range of 12%. The District currently is spending over 20%. In addition, the coverage is better, with no co-pays or deductibles.

Vice President Holober said he gave Chancellor Galatolo an outline to use in determining savings for the District if SB 840 is implemented. Chancellor Galatolo said the analysis shows a savings of just under \$20 million, but the exact figure would depend on implementation and specific requirements. Collective bargaining could also come into play. In response to Trustee Schwarz's comment that the \$20 million figure could go higher or lower, Vice President Holober said that he is willing to modify the language in the Resolution to say "several million dollars" rather than \$20 million. Other trustees agreed that this amendment should be made.

Trustee Schwarz asked about employers who currently do not cover health care for their employees. Vice President Holober said these employers would have to pay the payroll tax.

Trustee Mandelkern said he is a long-time supporter of the Senate bill. He added that it might not be perfect but he believes it is a good solution. However, because he has an economic interest, Trustee Mandelkern must recuse himself.

American Federation of Teachers Executive Secretary Dan Kaplan spoke in favor of the Resolution. He said the California Federation of Teachers is on record as supporting the bill when it was first proposed in 2003. He said health care coverage is the most acrimonious issue in negotiations and passage of this bill would remove the issue from the table. He noted that the American Medical Association historically has been opposed to a single payer system but this is changing and many doctors support the bill. He also said that the bill is not indicative of socialism; England, France, Germany and the Scandinavian countries have universal health care systems and they are not socialist societies.

Mr. Kaplan said that SB 840 was passed by the State Senate and Assembly but vetoed by the Governor. He said that more pressure needs to be put on the Governor, and the Board's approval of the Resolution would be a step in that direction. Several other community college districts have passed resolutions in support of the bill.

Charles Jones, CSEA Public Relations Officer, said that CSEA is working with AFT, the California Council of Churches, the Nurses Association, the Consumer Federation of California, the League of Women Voters and others in support of the bill. He believes that if enough people show support for the bill, the Governor will sign it.

President Hausman said she believes in universal health care but is concerned about several issues, including the uncertainty of the amount of savings for the District, and the question of who will be the gatekeeper. She commented that the report is long and in small print. There are multiple problems and she would like to have more information. President Hausman also questioned what would happen to small businesses. Trustee Schwarz noted that many small businesses pass costs on to consumers in order to survive. However, Trustee Schwarz said she believes health care is a right rather than a privilege, so she would tend to support the Resolution even though there are many questions. President Hausman also said she will probably vote "Aye" but with reservation.

Student Trustee Young expressed concern over what could happen during a recession and about unemployment caused by workers at private insurance companies losing their jobs.

CSEA Chapter 33 President Ulysses Guadamuz noted that the District Mission Statement is centered around students and asked the Board to consider how approval of the Resolution would affect students. CSEA Labor Representative Diana Hall added that national corporations may be attracted to the State because they could operate with greater profit margins; therefore, the result might be an increase in jobs rather than a decrease.

After this discussion, the motion to approve Resolution No. 07-8, as amended, carried, with four members voting "Aye" and one abstention.

APPROVAL OF INCREASE IN STUDENT HEALTH SERVICES FEE (07-6-104B)

It was moved by Trustee Miljanich and seconded by Vice President Holober to approve the increase in student health services fee. The motion carried, all members voting "Aye."

APPROVAL OF INCREASE IN PARKING FEES (07-6-105B)

It was moved by Trustee Miljanich and seconded by Vice President Holober to approve the increase in parking fees. Student Trustee Young said the mission of the District is to provide excellent education at affordable prices. She noted that this would be a 33% increase and said it should not be students who pay to fix problems. She said that in 2006-07, ASCSM passed a resolution in opposition to the increase and a new resolution in opposition has been passed for 2007-08. Skyline College and Cañada College Associated Students have taken an informal position of opposition. She added that the votes from the District Shared Governance Council do not show great support, since there are a number of "D" votes. Student Trustee Young said that students were not adequately consulted on the increase and no other recommendations were made. Trustee Schwarz asked for clarification on District Shared Government Council voting. District Academic Senate President Kapp said the Council works on a consensus model. Votes range from "A," which signifies complete support, through "E," which means the voter will not support the proposal. A "D" vote means that a voter does not fully support the proposal but will go along with it. If there are any "E" votes, the proposal will not pass and the Council works until reaching consensus.

CFO Blackwood said the issue needs to be put in context of the tentative budget. The District is experiencing declining enrollment and problems with revenues. The 2007-08 budget will be deficit and the District will be using carryover from 2006-07. There will be funding shortfalls at the campuses, as well as insurance premium increases, the new program at Half Moon Bay, compensation, etc. The parking fund is currently in deficit and money from the general fund is being used to support the parking fund; this is money that could be used to benefit all students but is benefiting only those who drive. CFO Blackwood added that low income students would not be affected since students who are recipients of Board of Governors grants would not receive the increase. She said that while \$10 might appear to be a large increase, the District still charges one of the lowest parking fees in the area.

Student Matthew Kaidor said students were not adequately consulted and were not granted enough time to come up with other solutions. He distributed a new resolution adopted yesterday by ASCSM.

Student Alain Cousin made the following points:

- with regard to low income students, only one in five students receive financial aid and the fee increase would affect students who just miss being eligible for financial aid.
- the two members of the District Shared Governance Council who originally voted "E" were persuaded to change their votes to "D" in order to bring the issue to the Board and show that it does not have full support.
- a student survey was conducted; 410 students responded and 61% were against the increase.
- AFT will support whatever position the students vote.
- students have not been told the amount of money spent on security.
- the last increase, five years ago, was to be used to upgrade parking; this was not done. A new increase will only fix the deficit. Students were also told that bond money could be used to make upgrades.
- students have right to participate but in this case were not heard; the fee increase was presented as "this is what we're going to do" and no other options were explored. Earlier, students had made suggestions; it is not known what happened to the suggestions.

Vice President Holober asked for further explanation of the vote of the Shared Governance Council. Chancellor Galatolo explained that under Rules and Regulations, Section 2.09, The Council vote is advisory only. If consensus is not reached, the Chancellor may still bring an issue to the Board, but would always inform the Board that the Council does not agree.

Chancellor Galatolo said the District cannot ignore the economic reality that there is an increasing and ongoing deficit in the parking fund. He said that the District has had the lowest parking fees in the State and has been unable to do any work on the parking lots for over two decades. Chancellor Galatolo suggested that a sinking fund be established. It will cost approximately \$20 million to fix the parking lots, and money will be needed to maintain the lots after fixing them, or the same problem will recur.

Trustee Miljanich expressed concern about general funds being used for parking, suggesting these funds could be used for the academic mission.

Trustee Schwarz said she has heard for 12 years that there is not enough money in the parking fund to maintain the parking lots, and asked what has happened to the money that is collected. CFO Blackwood said 70% goes to security and custodial staffing and 30% to maintenance and upkeep, with a very minimal amount going to improvements. Trustee Schwarz suggested charging parking fees to community members who come to events; Chancellor Galatolo said a fee is currently charged until 10:00 p.m. Trustee Schwarz said that the Board is student-oriented and since there were two "D" votes, she believes more discussion may be needed; she asked if a decision must be made tonight.

Vice President Holober asked the amount of total revenue collected in the parking fund. CFO Blackwood said that CSM collects \$460,000 in daily and semester fees and \$200,000 in citations. There is a deficit of \$40,000. Vice President Holober suggested increasing parking fees by a lesser amount, such as \$3.00. Chancellor Galatolo

said imposing a lesser increase would simply delay the issue, and he recommends imposing the increase in the spring of 2008.

In response to an audience question on why security costs are rising while student population is decreasing, Chancellor Galatolo explained that security staff have received increased compensation and benefits over the past five years, so there is less revenue to cover fixed costs.

Mr. Kaidor suggested that if parking lots were not policed, the high cost of paying for security would be alleviated. Chancellor Galatolo said this is not a viable option since parking lots are policed for theft, abductions, etc. as well as for issuing tickets.

Student Trustee Young said there is a suggestion that a transportation fee be imposed instead of a parking fee and that it would apply to all students. Chancellor Galatolo said this would not be legal as there are State laws that govern how student fees may be imposed.

Trustee Mandelkern said he believes in shared governance and appreciates hearing from students. He noted that the Board wishes to reduce barriers to students but there are costs that must be recouped. He added that the campuses are not well served by public transportation and that alternatives should be offered. He said that while some tickets are given unfairly, those who don't follow the rules should pay. He added that the burden should be shared by all users and suggested charging parking fees to staff. Trustee Mandelkern said that bond dollars may be appropriate because voters passed the bond issue for infrastructure improvements and parking lots are part of the infrastructure. He believes that more time is needed to consider all alternatives.

President Hausman asked if the vote should be postponed until more options are presented. Vice President Holober said the issue should be decided before adoption of the final budget on September 5 and suggested tabling the issue until the August 22 Board meeting. There was consensus by the Board to do so.

District staff will gather information on:

- increase in fines and citations
- percentage of student fee increase vs. that of visitors (and possibly others)
- deficit amount
- how much of the deficit is being covered by other sources

RENEWAL OF AGREEMENTS WITH APPRENTICESHIP PROGRAM SPONSORS, 2007-08, COLLEGE OF SAN MATEO (07-6-106B)

It was moved by Trustee Mandelkern and seconded by Trustee Miljanich to approve the renewal of the agreements as presented in the report. The motion carried, all members voting "Aye."

APPROVAL OF 2009-2013 FIVE-YEAR CAPITAL CONSTRUCTION PLAN (07-6-107B)

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to approve the 2009-2013 five-year capital construction plan. The motion carried, all members voting "Aye."

CONTRACT AWARD FOR BUILDING 7 MODERNIZATION – SKYLINE COLLEGE (07-6-108B)

It was moved by Trustee Miljanich and seconded by Vice President Holober to approve the contract award as presented in the report. The motion carried, all members voting "Aye."

CONTRACT REJECTION FOR UTILITY IMPROVEMENTS PROJECT – CAÑADA COLLEGE (07-6-109B)

It was moved by Trustee Miljanich and seconded by Vice President Holober to reject the contract as presented in the report. The motion carried, all members voting "Aye."

CONTRACT AWARD FOR HUMAN SIMULATOR, COLLEGE OF SAN MATEO NURSING (07-6-110B)

It was moved by Trustee Miljanich and seconded by Vice President Holober to approve the contract award as presented in the report. Trustee Schwarz noted the significant difference in cost of the two proposals. President Claire said that the more expensive version has "bells and whistles" that are not needed, and that the model being proposed meets the department's needs. After this discussion, the motion carried, all members voting "Aye."

EXTENSION OF UNIT PRICE CONTRACT FOR ASBESTOS ABATEMENT, DISTRICTWIDE (07-6-111B)

It was moved by Trustee Schwarz and seconded by Trustee Mandelkern to approve extension of the contract as presented in the report. The motion carried, all members voting "Aye."

CONTRACT EXTENSION FOR UNIT PRICE PAINTING, DISTRICTWIDE (07-6-112B)

It was moved by Vice President Holober and seconded by Trustee Schwarz to approve extension of the contract as presented in the report. Trustee Schwarz commented on the large increase, from an amount not to exceed \$300,000 to an amount not to exceed \$800,000. Linda da Silva, Executive Director of Construction Planning and Facilities Transition, said that the increase is due to the fact that more painting will be done, including exteriors. Chancellor Galatolo added that it is a function of moving into the next phase with multiple prime contracts. After this discussion, the motion carried, all members voting "Aye."

CONTRACT EXTENSION FOR UNIT PRICE FLOORING, DISTRICTWIDE (07-6-113B)

It was moved by Trustee Miljanich and seconded by Trustee Schwarz to approve extension of the contract as presented in the report. The motion carried, all members voting "Aye."

APPROVAL OF CONSTRUCTION CONSULTANTS (07-6-114B)

It was moved by Student Trustee Young and seconded by Vice President Holober to approve the construction consultants as presented in the report. Rick Bennett, Executive Director of Construction Planning and General Services, said that there is a calculation error in the report; the recommendation should read ". . . in an amount not to exceed \$520,000" instead of ". . . in an amount not to exceed \$515,000." Executive Director Bennett also requested the addition of another vendor, Kleinfelder, for \$50,000 to conduct additional environmental work at the chemical hygiene plant. There was consensus by the Board that this addition should be brought to the next Board meeting for approval. After this discussion, the motion to approve the construction consultants in an amount not to exceed \$520,000 carried, all members voting "Aye."

APPROVAL OF AGREEMENT WITH eCOLLEGE FOR DISTANCE EDUCATION SERVICES (07-6-115B)

It was moved by Student Trustee Young and seconded by Vice President Holober to approve the agreement with eCollege as presented in the report. Vice President Holober asked for a brief synopsis of the agreement. Executive Vice Chancellor Keller said that an extensive process was used in selecting a platform to manage distance education. Last year, 365 FTES were generated using distance education, accounting for 12% of revenue. District Academic Senate President Kapp said that the District Education Advisory Committee wants to give instructors help with distance education, and the committee believes that eCollege provides that help. Chancellor Galatolo added that a goal is to make it easy for students to use online education by creating a systematic approach and consistent application for them. Trustee Mandelkern said that while user interface consistency is important, data consistency is even more important. He asked if Blackboard had been considered, and President Kapp answered that it was. Trustee Mandelkern said that because of a conflict of economic interest, he would recuse himself. After this discussion, the motion carried, with four members voting "Aye" and one abstention.

ADOPTION OF THE 2007-08 TENTATIVE BUDGET (07-6-116B)

It was moved by Trustee Mandelkern and seconded by Trustee Miljanich to approve adoption of the 2007-08 Tentative Budget. Chief Financial Officer Kathy Blackwood presented the tentative budget and distributed a printed copy of her report, a copy of which is attached to the official minutes of record. Trustee Miljanich asked about the recommendation to increase the District reserve to 6%. CFO Blackwood said that if an organization's reserve goes below 5%, it will be placed on the State's "watch list" and must take steps to improve. In addition, she said that the reserve level affects accreditation; districts are expected to have at least 5%. The District's

current policy sets the reserve at 4%. Trustee Mandelkern asked when the State changed the percentage at which an organization is placed on the watch list. CFO Blackwood responded that the change occurred in fall of 2005. CFO Blackwood added that when the State measures the reserve, they do not see commitments and encumbrances so they have not seen the District go below 5%. Trustee Miljanich asked whether the District has ever used the reserve, and Chancellor Galatolo answered that it has not.

In response to Trustee Mandelkern's question on what percentage of the budget is money from the FTES shift, CFO Blackwood said it is approximately 8%. The District is gaining \$8 million from shifting of FTES from 2007-08 to 2006-07, approximately \$2 million of which would be used to increase the reserve. The shift is one-time funding and is at the discretion of the State Chancellor's Office. CFO Blackwood explained that the shift is not a problem for this year because there are adequate dollars which the State Chancellor's Office does not want to return to the State.

Vice President Holoher said he is comfortable with the reserve as it stands, particularly because the District has not had to use any funds from the reserve. He would prefer to create a "rainy day" fund. While the reserve is looked at as money that we don't want to touch, the new fund would be available to use for educational services as needed during "lean" times and could be replenished during good times. Trustee Miljanich said the choice is between using money for needs today vs. putting money away, and asked what the rainy day fund might be used for. Trustee Schwarz said an example would be new programs that are very expensive. Vice President Holoher added that rather than having to cut programs during bad times, the fund could cover the programs on a temporary basis. Trustee Schwarz added that she is more comfortable raising the reserve level to 5% rather than 6%. Trustee Mandelkern said that a 6% reserve would not go far if, for instance, there were an earthquake and a delay occurred before receiving FEMA dollars. President Hausman said she believes more discussion is needed on this topic but believes the reserve should not go below 5%. Chancellor Galatolo said the rainy day fund is a good idea, but emphasized that a Board policy would be needed, stating that the fund could not be used for ongoing programs or for collective bargaining. CFO Blackwood suggested calling it a contingency reserve, placing it as a line item in the budget, and creating a policy specifying how it can be used.

Trustee Mandelkern moved that the Board accept the tentative budget with the augmentation to increase the reserve to 5%. The motion was seconded by Vice President Holoher. The motion carried, all members "Aye."

It was agreed that discussion would continue on the contingency reserve, and Chancellor Galatolo will bring suggested policy language to the July Study Session.

INFORMATION REPORTS

ACCEPTANCE OF GIFTS BY THE DISTRICT (07-6-2C)

The Board received the report which covered the period mid-December 2006 through late June 2007. Noting that one of the gifts was ham radio equipment, Trustee Mandelkern asked if there is a ham radio club at College of San Mateo. President Claire replied that there is such a club and it has been in existence for a long time.

THIRD QUARTER REPORT OF AUXILIARY OPERATIONS, 2006-07 (07-6-3C)

Director of Auxiliary Services Tom Bauer said the report is presented late because of timing issues. Director Bauer asked if there were questions; there were none.

DISTRICT FINANCIAL SUMMARY FOR THE QUARTER ENDING MARCH 31, 2007 (07-6-4C)

Chief Financial Officer Kathy Blackwood asked if there were questions regarding the report; there were none.

STATEMENTS FROM BOARD MEMBERS

Student Trustee Young congratulated President Mohr on his appointment as President of Cañada College. She also commented that the commencement at College of San Mateo was beautifully done.

All Board members joined in congratulating President Mohr.

Trustee Schwarz said that the end-of-year activities which she attended, including commencement at Skyline College, were impressive. Trustee Schwarz welcomed Student Trustee Young to another term on the Board.

President Hausman attended the Skyline College Automotive Banquet and was impressed with the camaraderie among faculty and students in the program. She also attended the retirement reception for Foundation Executive Director Georgi La Berge and wishes her a happy retirement.

Trustee Mandelkern attended the commencement at Cañada College and said it was a lovely and moving ceremony. As a volunteer with the "I Have A Dream" Foundation, Trustee Mandelkern will show the community colleges to East Palo Alto and Menlo Park students. He also suggested giving an outstanding achievement award to Professor Sam Rohde of Cañada College who purchased books for students in his class who could not afford them. Chancellor Galatolo said the award will be presented in the fall.

Vice President Holober attended a reception in Half Moon Bay for the Cabrillo Education Foundation which raises money to support the K-12 District. He said that people he talked with were knowledgeable about and pleased with the District project in Half Moon Bay. Vice President Holober commented that his family is pleased to take advantage of the community colleges; his wife finished a year of Italian at College of San Mateo and his son enrolled in a geology course as a concurrent enrollee at Skyline College.

COMMUNICATIONS

None

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 10:15 p.m.

The Board reconvened to Open Session at 10:40 p.m.

CLOSED SESSION ACTIONS TAKEN


President Hausman reported that, at the Closed Session just concluded, the Board considered the personnel items listed on the printed agenda and voted 5-0 to approve the actions in Board Report No. 1-A and 1-B.

ADJOURNMENT

It was moved by Trustee Schwarz and seconded by Trustee Mandelkern to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 10:41 p.m.


The next meeting of the Board will be a Study Session on July 11, 2007 in the District Board Room.

Submitted by



Ron Galatolo
Secretary

Approved and entered into the proceedings of the June 27, 2007 meeting.



Richard Holober
Vice President-Clerk