

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
July 22, 2009
San Mateo, CA**

The meeting was called to order at 6:04 p.m.

Board Members Present: President Karen Schwarz, Vice President-Clerk Patricia Miljanich, Trustees Helen Hausman, Richard Holober and Dave Mandelkern, and Student Trustee Virginia Medrano Rosales

Others Present: Chancellor Ron Galatolo, Executive Vice Chancellor Jim Keller, Skyline College President Victoria Morrow, College of San Mateo President Michael Claire, Cañada College President Tom Mohr, and District Academic Senate President Patty Dilko

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

None

MINUTES

It was moved by Vice President Miljanich and seconded by Trustee Holober to approve the minutes of the July 8, 2009 Study Session. The motion carried, all members voting "Aye."

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

None

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

Executive Reports were presented by Chancellor Galatolo, President Morrow, President Claire, President Mohr, Executive Vice Chancellor Keller, and President Dilko. Copies of the Presidents' Executive Reports were available for distribution at the meeting and are attached to the official minutes of record.

Chancellor Galatolo said the new sculpture of the District logo, located outside the District Office, was conceived, welded and installed by employees of the Facilities Department who took it upon themselves to complete this beautification project at a very low cost. Chancellor Galatolo thanked Facilities Manager Diane Martinez for her leadership and also welcomed Cliff Heap, Senior Maintenance Engineer at Cañada. Vice Chancellor José Nuñez said Juan Lopez, Maintenance Engineer at College of San Mateo, designed and welded the sculpture; other members of the team were Samuel Brambila, Tim Granillo, Rome Langi, Carol Reed and Steve Zoboli. Vice Chancellor Nuñez said the sculpture and surrounding area were made with recycled materials and cost approximately \$600, none of which came from the general fund. President Schwarz suggested that the team receive "Above and Beyond" awards at a future meeting and all Board members agreed.

Chancellor Galatolo said that Marie Sandler, who taught Early Childhood Education at Cañada College from September 1974 until her retirement in December 2006, passed away recently. He asked that tonight's meeting be adjourned in her memory and all Board members agreed.

President Morrow said Skyline's summer session enrollment showed a sharp increase and the fall enrollment is looking the same. President Morrow said the center of campus is torn up while site work continues. The hardscape will be completed by Opening Day. This summer, the first annual Summer Counselor Institute was held, sponsored by Skyline's College Success Initiative. The second annual Welcome Day for students and parents will be held on August 8.

President Claire presented t-shirts to Board members from the Japanese American Citizens League, given in appreciation for the honorary degrees bestowed at the 2009 commencement. President Claire said the College for Kids program, which is held at all of the campuses, celebrated its 17th year this summer with high enrollment; he recognized Lily Lau, Director of Community Education. Student leaders have been elected for the 2009-10 academic

year, with Steffi Santana serving as President of the Associated Students at CSM. CSM will sponsor a stage at the San Mateo County Fair with entertainment arranged by Theatre Events Manager Helen Souranoff.

President Mohr distributed graphs showing significant growth in student headcount. Enrollment growth is strongest among transfer students and is exceptionally strong in the STEM (science, technology, engineering, math) disciplines. The student population is shifting toward having a higher proportion of full-time students. President Mohr congratulated Vice President of Student Services Peter Barbatis whose dissertation, "Perceptions of Underprepared Community College Students Regarding Their Educational Achievement," was named the 2009 Dissertation of the Year by the National Association on Student Development. Cañada's first Math Jam, a two-week practice session, was successful; of the 32 student students who completed the program, 18 placed into a higher math class after taking the placement test a second time.

Executive Vice Chancellor Keller deferred his comments until the budget update to be presented later.

President Dilko said the Academic Senate has not been active during the summer. Faculty are engaged at the three campuses in looking at reorganizing and staying involved with communication.

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 (09-7-3A)

It was moved by Vice President Miljanich and seconded by Trustee Hausman to approve the actions in Board Report No. 09-7-3A. The motion carried, all members voting "Aye."

AMERICAN FEDERATION OF TEACHERS (AFT), LOCAL 1493, AFL-CIO INITIAL CONTRACT PROPOSAL TO THE DISTRICT AND DISTRICT'S INITIAL PROPOSAL TO AFT (09-7-4A)

It was moved by Trustee Holoher and seconded by Trustee Hausman to accept receipt of AFT's initial proposal and the District's initial proposal and to hold a public hearing of the proposals at the next regularly scheduled Board meeting. Trustee Mandelkern noted that AFT's proposal addresses compensation only for the first year of a three-year contract and asked if this is customary. Vice Chancellor Harry Joel said it is assumed AFT will ask for reopeners on wages. After this discussion, the motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA

The Consent Agenda consists of the following Board Reports:

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| 09-7-1CA | Acceptance of Gifts by the District |
| 09-7-2CA | Approval of Budgetary Transfers for the Period Ending May 31, 2009 and Adoption of Resolution No. 09-7 Authorizing Budget Transfers for 2008-09 |
| 09-7-3CA | Approval of Voluntary International Student Insurance Program, 2009-10 |

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

Other Recommendations

APPROVAL OF COMMUNITY SERVICES CLASSES, FALL/WINTER 2009 – CAÑADA COLLEGE, COLLEGE OF SAN MATEO AND SKYLINE COLLEGE (09-7-1B)

It was moved by Trustee Hausman and seconded by Trustee Holoher to approve classes as listed in the report. The motion carried, all members voting "Aye."

APPROVAL OF REVISIONS TO DISTRICT RULES AND REGULATIONS, CHAPTER 7, SECTIONS 7.39, MATRICULATION AND 7.50, STUDENT FINANCIAL AID PROGRAMS; AND ADDITION OF SECTION 7.45, TRANSFER CENTER (09-7-2B)

It was moved by Trustee Hausman and seconded by Trustee Mandelkern to approve the revisions and addition as detailed in the report. The motion carried, all members voting "Aye."

ADOPTION OF RESOLUTION NO. 09-8 ESTABLISHING A TRUST FUND FOR POST-RETIREMENT BENEFITS AND A RETIREMENT BOARD OF AUTHORITY (09-7-100B)

It was moved by Vice President Miljanich and seconded by Trustee Hausman to approve the adoption of Resolution No. 09-8 as detailed in the report. Regarding appointment of the members of the Retirement Board of Authority, who are named by titles or designations, Trustee Holoher asked for clarification of the statement that they "shall be appointed until such time as their successors shall be appointed by the Employer." Chief Financial Officer Kathy Blackwood said that the Board of Trustees has ultimate authority and can replace any member at any time. Trustee Mandelkern noted that AFT and CSEA will each appoint a member but AFSCME is not mentioned. CFO Blackwood said all bargaining units were invited to appoint a member to the team that was working to set up the trust and the Board of Authority, and AFSCME did not appoint anyone. She also said the makeup of the Board of Authority is in line with shared governance groups, in which CSEA appoints all classified members. After discussion regarding the best way to ensure that all employees are represented, it was agreed that the resolution will be modified to specify that the member appointed by CSEA will represent all classified employees and the member appointed by AFT will represent all academic personnel. After this discussion, the motion to adopt the resolution as modified carried, all members voting "Aye."

APPROVAL OF CONTRACTS FOR TRUST AND ADVISING SERVICES (09-7-101B)

It was moved by Trustee Hausman and seconded by Trustee Mandelkern to approve the contracts as detailed in the report. Trustee Holoher said the report does not show the bid comparisons; he asked who the low bidder was and how it compared with the bid that was selected. CFO Blackwood said it was not a simple case of looking at the low bidder because the price varied depending on the amount to be invested and the services to be provided. In general, it is based on points determined by how the money is invested against the earnings, much like a mutual fund. The Board Report shows the various items the District considered and what the District was looking for in the teams that presented the services they would provide. Trustee Holoher asked what percentage will be charged as a management fee. Chuck Thompson of RPM Consulting Group said there are three separate fees for (1) the administration group, (2) the investment manager and (3) the trust company, and each is 12 basis points. Trustee Mandelkern asked if it is customary to have the same firm handle all three components or if they are looked at competitively. CFO Blackwood said the District was looking for a separation between each of the functions in order to provide checks and balances. Mr. Thompson said it also provides for less conflict of interest. Trustee Holoher asked what the duration of the contract is. CFO Blackwood said it is a three year contract which can be terminated with 60 days notice. After this discussion, the motion to approve the contracts carried, all members voting "Aye."

AUTHORIZATION AND UTILIZATION OF SAN DIEGO COUNTY CONTRACT FOR CUSTODIAL SUPPLIES (09-7-102B)

It was moved by Trustee Hausman and seconded by Vice President Miljanich to approve the utilization of the San Diego County contract as detailed in the report. The motion carried, all members voting "Aye."

APPROVAL TO AMEND AGREEMENT WITH COMMERCIAL ENERGY FOR NATURAL GAS – DISTRICTWIDE (09-7-103B)

It was moved by Trustee Holoher and seconded by Vice President Miljanich to approve the authorization to amend pricing agreements as detailed in the report. The motion carried, all members voting "Aye."

CONTRACT AWARD FOR PRINTING AND MAILING SERVICES (09-7-104B)

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

APPROVAL OF CONSTRUCTION CONSULTANTS (09-7-105B)

It was moved by Trustee Holoher and seconded by Vice President Miljanich to approve the construction consultant services as detailed in the report. The motion carried, all members voting "Aye."

APPROVAL OF CONTRACT WITH THOMAS F. CASEY FOR LEGAL COUNSEL SERVICES (09-7-106B)

It was moved by Trustee Hausman and seconded by Vice President Miljanich to approve the contract as detailed in the report. Trustee Mandelkern asked what Mr. Casey's total billings were for the last fiscal year. Director of Community and Government Relations Barbara Christensen said they were approximately \$30,000. Trustee Holober said this is a very favorable contract for the District. Chancellor Galatolo agreed and said that Mr. Casey and Ms. Christensen are an unbeatable team in the area of redevelopment agencies. Ms. Christensen said that Mr. Casey will also continue to provide management training at the Colleges and at District management meetings. After this discussion, the motion carried, all members voting "Aye."

INFORMATION REPORTS

NAMING OF THE FITNESS AND AQUATICS CENTERS AT COLLEGE OF SAN MATEO (09-7-2C)

Director of Auxiliary Services Tom Bauer, who has been named Director of the Fitness and Aquatics Centers, said the 24,500 square foot Fitness Center will include strength training, cardiovascular training, open workout area, spinning room, group exercise room, yoga room and Pilates room. The aquatics complex will contain a 50 meter Olympic size swimming pool along with a 25 meter pool for Adaptive Fitness. The Fitness and Aquatic Centers will serve the needs of the academic programs at CSM and will also be a community focused, fee-based operation offering numerous service options to the campus community and the community at large. A team including the Chancellor, CSM Dean of Athletics, CSM Fitness faculty, Construction Planning Department staff, Mr. Bauer and others is working on finalizing the plans for the layout and procurement of equipment in the facility. President Claire said that all decisions regarding construction are also routed through the President's Cabinet. Mr. Bauer is working with various teams to create budgets, job descriptions, staffing and marketing plans as well as long-term strategic goals and objectives. Potential endeavors include club swimming, masters swimming, aesthetics program, nutrition counseling and partnering programs with the Peninsula Healthcare District, as well as certification programs for spinning, Pilates, yoga, lifeguard and personal trainer.

Working with a consultant, several names for the Centers were chosen for consideration. The names were shared with members across all constituencies at the College. The overwhelming favorite for the Fitness Center was "San Mateo Athletic Club at College of San Mateo." For the Aquatics Center, the name that rose to the top from the beginning is "San Mateo Aquatics at College of San Mateo."

Trustee Hausman asked if fees for community-based programs have been determined. Mr. Bauer said comparisons with other fitness clubs in the area and other information are being refined. It is his intention to bring details to the Board at the August meeting. Vice President Miljanich asked if parking will be included with memberships. Mr. Bauer said it will and that this is a distinct advantage which might be used in marketing the facility.

Trustee Mandelkern said a concern might be how to deal with the blend of students using the facility to fulfill course requirements and the public who will have different desires. Mr. Bauer said the facility is very large and will be able to accommodate all users' needs. In speaking with others who have opened similar facilities (University of Wisconsin-Oshkosh and City College of San Francisco), Mr. Bauer was told that serving various groups' needs is seamless and that the main problem is maintenance. Trustee Mandelkern said there might be people who sign up for a class in order to get a free membership rather than paying for a community membership. In addition, some members might ask an instructor who is teaching a class to "tag along" to learn how to use equipment. Mr. Bauer said he sees instructional classes and memberships as complementary rather than competitive. Students enrolled in a class use the facility only during that class time, while those with memberships have unfettered access to the Fitness Center and the Aquatics Center.

Trustee Holober asked if staffing will be provided by regular employees of the District. Chancellor Galatolo said staff will be a combination of faculty, classified and students, and possibly independent contractor trainers. Trustee Holober asked how revenues which are from community members rather than student fees will be accounted for in the budget. Mr. Bauer said revenues and expenses will remain in Fund 5, as they do for the Bookstores.

President Schwarz asked what the projected opening date is. Mr. Bauer said the contractually promised date is May 1, 2010. If construction continues to be on schedule and equipment arrives on time, opening could occur as early as February 1. Chancellor Galatolo said a charter membership drive must occur before opening. President Schwarz

asked if positions at the Centers could be considered if there is another round of managed hiring next year. Mr. Bauer said employees could be considered depending on their background and experience.

Trustee Holober asked if the area was surveyed in terms of demand and market saturation. Chancellor Galatolo said a demographic analysis was done for sites at both Skyline and CSM. The results showed Skyline to be an extremely attractive site and CSM was also above the norm, with unmet need in this location. Chancellor Galatolo said the Center will draw people to the campus even on weekends and introduce them to other programs the College has to offer. Rick Bennett, Executive Director of Construction Planning, said the research showed that the availability of parking will bolster demand. President Schwarz asked if there will eventually be a center at Skyline. Mr. Bennett said the District has applied for a fitness center at Skyline as a State-funded program.

Trustee Holober asked if children's programs are being considered. Mr. Bauer said this is being studied.

Trustee Holober said the health club field has many consumer complaints and he hopes the District will have a model operation that sets the standard for fitness clubs.

SURPLUS SALES FOR SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT – FY 2008-2009 (09-7-3C)

The Board accepted the printed report without questions or comments.

UPDATE ON BUDGET (09-7-4C)

Executive Vice Chancellor Keller commended CFO Blackwood for her work with the three campuses. CFO Blackwood said the Big 5 announced a budget deal but it is by no means finalized. It is anticipated that the Senate will vote on the budget tomorrow and the Assembly on Friday. No details are being released at this time. It appears that the budget will be similar to what CFO Blackwood laid out at the last Board meeting. Anticipated adjustments include:

- The \$85 million targeted to be cut from categoricals in 2008-09, and later amended to be cut from the general fund in 2008-09, will likely be made to the general fund in 2009-10, and this will add to the District's workload reduction.
- CFO Blackwood had anticipated borrowing more FTES from summer than she was able to do because the District grew more than anticipated. Consequently, we are approximately 600 FTES over the funding level for 2010-11, assuming a 1% funded growth in 2010-11. Therefore, we will need to reduce FTES, cut classes and serve fewer students. Trustee Holober asked if a downward adjustment needs to be made before that time. CFO Blackwood said the goals are a reduction of 300 FTES this year and 300 FTES next year. Because of heavy enrollment demand, class sizes have gone up considerably. Executive Vice Chancellor Keller said that previously, when student fees were increased, there was a decline in enrollment. However, because the UCs and CSUs are reducing enrollment and the community colleges are expected to have increasing enrollment demands as a result, it is impossible to predict the effect of a fee increase.
- The State was going to defer money from 2008-09 into 2009-10. It is clear that the intent was that these deferrals would be permanent, and preliminary information shows a deferral of money from June 2010 to July 2010. However, it is not clear whether there will be the same deferrals for 2009-10 and, if so, if they will affect community colleges or only K-12 schools.
- It appears there is agreement to not settle the issue of the Proposition 98 maintenance factor, but instead to make a one-time payment of \$9.5 billion sometime in the future in lieu of the maintenance factor.
- No suspension of Proposition 98.
- Career Technical Education will take the same level of cuts as other programs.
- The State will take \$1 billion from the Highway Users Tax Account (HUTA); this is money that usually comes to State and local governments for street and road repair.
- The State will either borrow against anticipated Redevelopment Agency (RDA) funds or allow RDAs to extend their agreements, resulting in the continuation of property tax payments to the State. In San Mateo County, the RDAs, cities and County all pay into the Education Revenue Augmentation Fund (ERAF). There is more money in ERAF than the ten non-basic aid districts can use so the excess gets paid back to the cities and County, but not to the RDAs. It is not clear how this will affect the District.
- Cuts to prisons will remain in the budget but where the cuts are to be made will be decided later.
- There is no information on federal stimulus dollars at this time.

Trustee Mandelkern asked if there is an estimate for the percentage of cuts to the District budget. CFO Blackwood said her best guess is that the 10% cuts already made and the one-time funds generated from shifting FTES between years will get the District through the 2009-10 fiscal year. There will most likely be mid-year cuts in 2009-10. Those reductions, along with declining state revenues, will likely require another 5% to 10% cuts in 2010-11. Chancellor Galatolo said the proposed budget does nothing to fix the State's structural problems and he believes the State will face the same problems in future years until there is an alignment between spending and revenue.

Trustee Holober said it is important that lawmakers be told it is fiction that community colleges can absorb all of the UC and CSU reductions in enrollment. Trustee Mandelkern said there is a public expectation that the District's budget can be cut repeatedly and the level of services provided will be the same; he said it is important to expose the fact that there are consequences to actions.

President Schwarz said the District is fortunate to have highly skilled employees who do the best possible job of dealing with the crisis. She thanked all District employees, from every employment group, for pulling together during this time.

STATEMENTS FROM BOARD MEMBERS

Student Trustee Medrano Rosales will be attending the Student Trustee Workshop on August 14 and 15 and the Welcome Day at Skyline. Members of the Skyline Runners Club will participate in the San Francisco Marathon this weekend.

Trustee Mandelkern will be out of the country on opening day. Trustee Mandelkern expressed gratitude and appreciation to staff, administration and faculty for all the work they continue to do during the difficult financial times. He mentioned Auxiliary Services finding ways to increase revenue, classified staff beautifying buildings, and faculty participating in enrichment activities during the summer. Trustee Mandelkern said he was elected and reelected to serve the needs of the community in providing educational opportunities in the County for people with a variety of needs, such as transfer students and people reentering the workforce or enhancing skills. He said it is gut-wrenching to be in a situation in which the Board has to discuss reducing FTES and eliminating opportunities for students and it is the antithesis of what elected officials should be doing. Trustee Mandelkern said voters need to understand the impact of what is happening and should be encouraged to send the message to their elected officials in Sacramento that this is an unacceptable course for the State.

Trustee Hausman said she believes the District is the best run community college district anywhere, beginning with the Chancellor and spreading to all employees. Trustee Hausman and President Schwarz attended the San Mateo Community College Foundation meeting. The Foundation is working hard to raise money and has a computer system to track information, particularly targeting alumni. Trustee Hausman said that Jude Pittman, Associate Professor of Art at CSM, will have a number of works exhibited at the "50/50 Show" at the Sanchez Art Center in Pacifica; the exhibit will run through August 29.

President Schwarz said she, Trustee Hausman and Student Trustee Medrano Rosales will attend a portion of the CSEA Conference as guests. President Schwarz said the Board self-evaluation is coming up soon. She cited a book titled "The Rogue Trustee" as an example of what a Board member does not want to be; she will share the book with anyone who is interested. President Schwarz announced that Trustee Miljanich was called away and will not be in attendance at the Closed Session.

COMMUNICATIONS

None

RECESS TO CLOSED SESSION

President Schwarz announced that during Closed Session, the Board will discuss the personnel item listed as 1-B on the printed agenda.

The Board recessed to Closed Session at 8:20 p.m.
The Board reconvened to Open Session at 9:20 p.m.

CLOSED SESSION ACTIONS TAKEN

President Schwarz reported that, at the Closed Session just concluded, the Board considered the personnel item listed on the printed agenda and voted 4-0 to approve the actions in Board Report No. 1-B.

ADJOURNMENT

It was moved by Trustee Holober and seconded by Trustee Hausman to adjourn the meeting in memory of Marie Sandler. The motion carried, all members voting "Aye." The meeting was adjourned at 9:25 p.m.

Submitted by



Ron Galatolo
Secretary

Approved and entered into the proceedings of the August 19, 2009 meeting.



Patricia Miljanich
Vice President-Clerk