

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
January 23, 2019, San Mateo, CA**

The meeting was called to order at 4:00 p.m.

Board Members Present: President Maurice Goodman (via telephone), Vice President Karen Schwarz, Trustee Richard Holober, Trustee Dave Mandelkern, Trustee Thomas A. Nuris

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION

Vice President Schwarz said that during Closed Session, the Board will (1) hold a conference with legal counsel regarding three cases of existing litigation and one case of anticipated litigation as listed on the printed agenda, and (2) consider public employee discipline, dismissal, release.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY: None

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 4:01 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 6:05 p.m.

Board Members Present: Vice President Karen Schwarz, Trustee Richard Holober, Trustee Dave Mandelkern, Trustee Thomas A. Nuris, Student Trustee Gabriela Topete Eng Goon

Others Present: Chancellor Ron Galatolo, Chief Financial Officer Bernata Slater, Skyline College President Regina Stanback Stroud, College of San Mateo President Michael Claire, Cañada College President Jamillah Moore, District Academic Senate President Leigh Anne Shaw

PLEDGE OF ALLEGIENCE

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

Vice President Schwarz said that in closed session, the Board voted to approve a settlement based on certain materials terms, and authorized the Chancellor to negotiate and execute a final agreement consistent with those material terms.

DISCUSSION OF THE ORDER OF THE AGENDA

Vice President Schwarz said that in order to accommodate the auditors, staff requests that items 19-1-102B through 19-1-105B be placed first on the agenda. There were no objections from the Board.

RECEIPT AND ACCEPTANCE OF THE 2017-18 DISTRICT AUDIT REPORT (19-1-102B)

It was moved by Trustee Holober and seconded by Trustee Nuris to accept the audit report. Auditor Joseph Trone of Crowe LLP said the auditors follow the auditing standards generally accepted in the United States. They are engaged by the District to render an opinion on the financial statements prepared by management. They visit the District multiple times during the year to perform audit procedures, including testing federal and state compliance, examining the District's internal control cycles and key controls, testing the student financial aid cluster, and testing financial statement transactions. Mr. Trone said there were no new accounting standards adopted by the District this year. He explained how the auditors test estimates made by management in the following areas:

- Investments – tested by confirming valuation of the investments by external third parties.
- Pension and OPEB liabilities – tested relying on actuaries of CalPERS and CalSTRS for pensions and actuary of for the OPEB plan as well.

Mr. Trone said there are no audit adjustments based on the financial information provided by management and no issues were encountered during the audit. Regarding the financial statements, he said the auditors rendered an unmodified opinion, meaning the financials presented fairly in all material respects. There were no internal control findings and no federal awards compliance findings. For the state awards, there was one minor exception regarding the 50 Percent Law, and this item has no fiscal impact on the District.

Trustee Holober asked what the shortfall is on the 50 Percent Law. Mr. Trone said the District is currently at 44.4 percent and approximately \$7.9 million would have to be spent to get to 50 percent.

After this discussion, the motion to accept the District audit report carried, all members voting Aye.

RECEIPT AND ACCEPTANCE OF THE 2017-18 KCSM-FM AUDIT REPORT (19-1-103B)

It was moved by Trustee Mandelkern and seconded by Trustee Holober to accept the audit report. Mr. Trone said no audit adjustments or corrections were made. There were no findings and the auditors rendered an unmodified opinion. The motion to accept the KCSM-FM audit report carried, all members voting Aye.

RECEIPT AND ACCEPTANCE OF THE 2017-18 GENERAL OBLIGATION BOND FINANCIAL AND PERFORMANCE AUDITS (19-1-104B)

It was moved by Trustee Nuris and seconded by Trustee Holober to accept the audits. Mr. Trone said the auditors rendered an unmodified opinion on the financial statements for both Measure A and Measure H. Regarding the performance audits, which are based on testing of expenditures, the results indicated that all expenditures were made in compliance with voter approved ballot language for both Measure A and Measure H. The motion to accept the general obligation bond financial and performance audits carried, all members voting Aye.

RECEIPT AND ACCEPTANCE OF THE 2017-18 RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST AUDIT REPORT (19-1-105B)

It was moved by Trustee Holober and seconded by Trustee Nuris to accept the audit report as presented. Mr. Trone said the auditors rendered an unmodified opinion and no audit adjustments were made. He said investments totaled approximately \$115 million as of June 30, 2018. He said the net position, or trust funds offsetting the OPEB liability, ended the year at 95 percent.

Trustee Mandelkern asked if any subsequent event has been reported based on the fluctuations in the stock market at the end of 2018. Mr. Trone said such events would not be included in the report.

Trustee Holober asked if there is a point at which the trust will be fully funded and can take over the expenses of the liability. Mr. Trone said the liability is reassessed by the actuary on a continual basis. He said he believes the District is on its way to being fully funded. Chancellor Galatolo said there are fluctuations in the stock market, but the trust is now fully funded for all intents and purposes and the District could tap into the resources at any time. Mr. Trone concurred with Chancellor Galatolo's opinion.

After this discussion, the motion to accept the Retirement Futuris Public Entity Investment Trust audit report carried, all members voting Aye.

MINUTES

It was moved by Trustee Holober and seconded by Trustee Nuris to approve the minutes of the Special Closed Session of November 28, 2018. The motion carried, all members voting Aye.

It was moved by Trustee Holober and seconded by Trustee Nuris to approve the minutes of the Special Closed Session of December 12, 2018. The motion carried, all members voting Aye.

It was moved by Trustee Nuris and seconded by Trustee Mandelkern to approve the minutes of the Regular Meeting of December 12, 2018. The motion carried, all members voting Aye.

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

Chancellor Galatolo congratulated Aaron McVean, Vice Chancellor of Educational Services and Planning, on earning a doctoral degree.

Chancellor Galatolo addressed the Supreme Court's lifting of the injunction from a lower court, allowing enforcement of the president's policy prohibiting transgender individuals from serving the military. He said the Board has a clear policy on nondiscrimination and the District has reached out to legal counsel to get an opinion on how this new development could affect military recruiters being on campus. He said staff will report back to the Board after a legal opinion is provided.

Chancellor Galatolo said that at the last meeting, the Board raised a question about a class being taught at Gunn High School in Palo Alto. He said East Palo Alto is in San Mateo County and Palo Alto is in Santa Clara County, but students from East Palo Alto can attend school in Palo Alto, causing an overlap to occur. Cañada College President Moore said that in 2017-18, the math class was taught at Palo Alto High School and students from both Palo Alto High School and Gunn High School were eligible to take the class. In 2018-19, more students from Gunn High School wanted to take the class and it was moved to that location for the 2018-19 academic year. She said the courses are paid fully by the high school district. There is no cost to the District and the District does not claim apportionment.

College of San Mateo President Claire introduced Mike Holtzclaw, Vice President of Instruction. He provided information on Dr. Holtzclaw's background and qualifications and welcomed him to the College and District.

President Moore announced that three students from Cañada College are finalists for the Jack Kent Cooke Foundation scholarship. If successful, they will receive \$40,000 per year toward their undergraduate degrees. The scholarship awardees will be announced in April. President Moore introduced Graciano Mendoza, who was recently appointed Vice President of Administrative Services.

District Academic Senate President Leigh Anne Shaw said the Senate will hold its first meeting of the semester on the second Monday in February. She said the Senate has an ambitious agenda for the semester and will be working on: revision to professional development processes; revision and possible insertion of boilerplate language for faculty job announcements to include equity-minded language; creation of guidelines for faculty about mitigating disruptions caused by campus closures; revision of equivalency processes; and creation of a proposal for guidelines for the hiring and evaluation of temporary full-time faculty

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS: None

NEW BUSINESS

APPROVAL OF PERSONNEL ITEMS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (19-1-2A)

It was moved by Trustee Holober and seconded by Trustee Nuris to approve the actions in the report. The motion carried, all members voting Aye.

APPROVAL OF REVISIONS TO STUDENT ASSISTANT SCHEDULE AND EMPLOYMENT POLICY (19-1-3A)

It was moved by Trustee Holober and seconded by Trustee Nuris to approve the revisions. The motion carried, all members voting Aye.

PUBLIC HEARING ON THE DISTRICT'S INITIAL PROPOSAL TO THE CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, CHAPTER 33 (19-1-4A)

It was moved by Trustee Nuris and seconded by Trustee Mandelkern to conduct the public hearing. The motion carried, all members voting Aye. Vice President Schwarz declared the public hearing open and called for questions for comments from members of the public. Hearing none, she declared the public hearing closed.

PUBLIC HEARING ON CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, CHAPTER 33 INITIAL CONTRACT PROPOSAL TO THE DISTRICT (19-1-5A)

It was moved by Trustee Mandelkern and seconded by Trustee Holober to conduct the public hearing. The motion carried, all members voting Aye. Vice President Schwarz declared the public hearing and called for questions for comments from members of the public. Hearing none, she declared the public hearing closed.

PUBLIC HEARING ON THE DISTRICT'S INITIAL PROPOSAL TO THE SAN MATEO COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL 1493, AFT, AFL-CIO (19-1-6A)

It was moved by Trustee Nuris and seconded by Trustee Holober to conduct the public hearing. The motion carried, all members voting Aye. Vice President Schwarz declared the public hearing open and called for questions for comments from members of the public. Hearing none, she declared the public hearing closed.

PUBLIC HEARING ON SAN MATEO COMMUNITY COLLEGE FEDERATION OF TEACHERS, LOCAL 1493, AFT, AFL-CIO INITIAL PROPOSAL TO THE DISTRICT (19-1-7A)

It was moved by Trustee Holober and seconded by Trustee Mandelkern to conduct the public hearing. The motion carried, all members voting Aye. Vice President Schwarz declared the public hearing open and called for questions for comments from members of the public. Hearing none, she declared the public hearing closed.

RECEIPT OF DISTRICT'S INITIAL CONTRACT PROPOSAL TO THE LOCAL 829, COUNCIL 57, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO AND SETTING OF PUBLIC HEARING (19-1-8A)

It was moved by Trustee Nuris and seconded by Trustee Holober to accept receipt of the proposal. The motion carried, all members voting Aye.

RECEIPT OF LOCAL 829, COUNCIL 57, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO INITIAL CONTRACT PROPOSAL TO THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT AND SETTING OF PUBLIC HEARING (19-1-9A)

It was moved by Trustee Mandelkern and seconded by Trustee Nuris to accept receipt of the proposal. The motion carried, all members voting Aye.

Chief of Staff Mitchell Bailey requested that the date for the public hearings listed in items 19-1-8A and 19-1-9A be held at the Board meeting of February 27. The Board agreed to this request.

APPROVAL OF CONSENT AGENDA

Vice President Schwarz said the consent agenda consists of Board Reports 19-1-1CA through 19-1-5CA. It was moved by Trustee Mandelkern and seconded by Trustee Holober to approve the items on the consent agenda. The motion carried, all members voting Aye.

Other Recommendations

NOMINATIONS FOR MEMBERSHIP ON THE CALIFORNIA COMMUNITY COLLEGE TRUSTEES (CCCT) BOARD, 2019 (19-1-1B)

It was moved by Trustee Holober and seconded by Trustee Nuris to discuss and approve any nominations. There were no nominations. Trustee Mandelkern suggested asking President Goodman if he is interested in being nominated. The Board agreed with this suggestion. Staff will follow up with President Goodman.

ADOPTION OF RESOLUTION NO. 19-3 REGARDING AWARENESS OF HUMAN TRAFFICKING IN THE BAY AREA (19-1-106B)

It was moved by Trustee Mandelkern and seconded by Trustee Nuris to adopt Resolution No. 19-3. Vice President Schwarz said she is pleased that this resolution is on the agenda. She said the problem is rapidly becoming worse and awareness is critical in combatting human trafficking. Trustee Mandelkern thanked Vice President Schwarz for bringing this issue forward. He said victims of human trafficking are often brought into the country or across the country to California with little or no job skills and in difficult economic situations. He suggested that the District reach out to organizations that help victims, such as Liberty House, to make them aware of classes and programs offered by the District that might be of interest and help victims get started on a better path. Chancellor Galatolo said this is an excellent recommendation and staff and the college presidents will look into engaging the appropriate organizations. Vice President Schwarz said she was approached by leaders of an organization who expressed hope that the community colleges would become involved for the reasons expressed by Trustee Mandelkern. She said she will share the District's willingness to become involved at the monthly meetings she attends and will also share the agendas for these meetings with the Board. Student Trustee Topete Eng Goon said she believes students would be willing to sponsor an event related to this issue and she invited Board members to attend meetings of the Associated Students at the colleges to discuss it. After this discussion, the motion to adopt Resolution No. 19-3 carried, all members voting Aye.

APPROVAL OF SOLE SOURCE PURCHASE OF SOFTWARE SUBSCRIPTION AND SERVICES FROM ONELOGIN (19-1-107B)

It was moved by Trustee Nuris and seconded by Trustee Holober to approve the purchase. The motion carried, all members voting Aye.

RATIFICATION OF SOLE SOURCE SERVICES AGREEMENT BETWEEN SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT AND STRATEGIC ENERGY INNOVATIONS (19-1-108B)

It was moved by Trustee Holober and seconded by Trustee Nuris to ratify the agreement. The motion carried, all members voting Aye.

BOARD MEMBER COMPENSATION (18-1-109B)

It was moved by Trustee Nuris and seconded by Trustee Holober to approve a five percent increase in Board member compensation as permitted by law. Trustee Mandelkern said the law specifies that an increase of up to five percent may be approved. He asked if members of any of the bargaining units, non-represented employees or administrators have received increases of five percent in the past year. Chancellor Galatolo said the numbers vary depending on the structure of total compensation approved by the groups, but the overall increase is just under five percent. Trustee Mandelkern said that as a proponent of fairness and equity, he is not in favor of the Board receiving a greater increase than other employees; therefore, he will vote against the motion. After this discussion, the motion to approve a five percent increase in Board member compensation carried, with Trustee Mandelkern voting No and all other members voting Aye.

INFORMATION REPORTS

2019 CONTRACTOR PREQUALIFICATION UPDATE (19-1-2C)

Trustee Holober said there is an improved field of interested applicants and asked if this is a reflection of anything occurring in the marketplace. Chancellor Galatolo said he believes the increase is due to more contractors coming into the area because they see great opportunity. José Nuñez, Vice Chancellor of Facilities Planning, Maintenance and Operations, concurred, noting that there are more applicants from outside of San Mateo County.

UPDATE ON SKYLINE COLLEGE BUILDING 1N, SOCIAL SCIENCE AND CREATIVE ARTS (19-1-3C)

Trustee Holober said he recognizes that in the current environment in which builders and contractors are all very busy, cost escalations will occur. However, he said the amount of escalation presented in the report seems to exceed what would be expected, even in 2017. Vice Chancellor Nuñez said his team has worked hand-in-hand with Turner Construction and the cost estimators to remain up to date on the marketplace in terms of cost escalation. He said that working with Skyline College President Stanback Stroud and her team, staff has worked to value engineer the project and bring it to an acceptable level, but the value engineering analysis fails to meet the academic needs of the College. He said increased construction and associated cost escalation is impacting several other districts and public municipalities as well. Chancellor Galatolo said the escalations are occurring largely in the mechanical, electrical and plumbing areas and it is very difficult to control these costs. He said there is an enormous amount of work available and a tremendous undersupply of labor. He said subcontractors are increasing their margins because they are having to pay overtime and bring workers in from outside the area. Chancellor Galatolo said he is not prepared to ask the Board to float an \$80 million Certificate of Participation to make up the shortfall because it would encumber the general fund for between \$3 million and \$5 million for the next thirty years. Consequently, he said he does not believe this is the time to carry out this project. That being said, he noted that the District did not have the matching funds of \$40 million to \$60 million required by the state for other projects. He said this will help address that match and allow the District to complete some smaller projects. He said he believes this would be a wiser use of funds at this time.

Trustee Mandelkern said he applauds the good judgment of Chancellor Galatolo, Vice Chancellor Nuñez and the Skyline College team to recognize that it does not make sense to move forward when the educational needs of the building cannot be met. He said he fully agrees with their assessment. He said he believes it is wiser to use the resources for a larger number of smaller projects that can help fulfil the educational mission. He said he hopes that the project can be completed at some time in the future if costs drop or the District is able to secure more funds. Trustee Mandelkern noted that Building 1 is one of the original buildings on the campus and suggested that some smaller cosmetic improvements be made to the interior, as well as to the front entryway to the building which includes a loading dock.

Trustee Holober said he understands that there are competing needs, but he is concerned about using the \$110 million originally earmarked for the project for other projects, thereby making the shortfall even greater. Vice Chancellor Nuñez said the amount is somewhat less because some money was spent on the project over the last two years. He said there is a need for \$40 million to \$60 million for matching funds as well as funds for work that is needed on Skyline College Buildings 1 and 19 and other buildings. Chancellor Galatolo said the District has been shifting general fund dollars into the capital projects fund for the last eight to ten years. At the same time, there has been the issue of funding

the Promise Program, CRM and other operational items. He said that at the upcoming Board retreat, he will share how resources can be better used to address the boarder needs of students. He said he would urge the Board to talk to the taxpayers at some point in time about what their interest would be in addressing these broader needs through some kind of taxing authority.

President Stanback Stroud thanked Chancellor Galatolo and Vice Chancellor Nuñez and his team for helping Skyline College navigate through a difficult situation. She said they have constantly looked for solutions and ways to save money, but in the end it was not possible to meet the educational needs of the college. She said this is not the first time the college has had to forego a building because of a shift of resources. President Stanback Stroud said the college community does not want to make this sacrifice and then have the resources taken away from the campus. She said she will work closely with Chancellor Galatolo and Vice Chancellor Nuñez to make sure that the campus meets its resources needs, but will also support the use of funds so that the District overall can access the state funds as well. She said faculty and staff have asked that some cosmetic changes be made to Building 1 along with changes that deal with health and safety. Chancellor Galatolo said cosmetic changes to the building are being examined, along with improvements to Buildings 2 and 5. He said money will also come back to Skyline College from the general fund for the Promise Program and Guided Pathways.

Trustee Nuris shared an experience that occurred when he was a member of the Jefferson Union High School District Board of Trustees. He said the district passed a large bond issue to renovate and modernize high schools that were 40+ years old. For the first project, the construction industry was quick to attend Board meetings to talk about hiring local workers, the requirements of labor, etc. By the time the last project was to begin, the market had turned and the district could barely get contractors to bid, and the courtesy bids were so high that the district was forced to shelve the project. Trustee Nuris said it is difficult for public institutions to compete with private industry and it is unfortunate that public institutions, especially schools, sometimes suffer as a result of changes in the marketplace.

ACCREDITATION UPDATE AND TIMELINE (19-1-4C)

In response to a question from Trustee Mandelkern, Vice Chancellor McVean confirmed that the Board will first review the Colleges' Institutional Self-Evaluation Reports in April and the reports will be submitted to the Accrediting Commission for Community and Junior Colleges in August.

COMMUNICATIONS

Vice President Schwarz said the Board and Chancellor received a letter from a member of the public regarding a proposal to create a STEM centered academic enhancement program within San Mateo County. A response was sent by the Chancellor thanking the writer for his input.

STATEMENTS FROM BOARD MEMBERS

Trustee Mandelkern thanked President Moore for following up on the enrollment of students at Gunn High School. He said one of the jobs of a trustee is to make sure that District resources are spent for the benefit of the taxpayers in San Mateo County. Trustee Mandelkern said a Community, Continuing and Corporate Education contract for services with GreenFig, a for-profit company, was recently publicized. He asked if that contract was brought to the Board for approval. Tom Bauer, Vice Chancellor of Auxiliary Services and Enterprise Operations, said he will provide a report for the Board.

Trustee Mandelkern said former Skyline College graduate and student athlete Alec Roa, who now attends UCLA, had an excellent post on LinkedIn about the value of community college education. He said the article is well worth reading. He noted two other students who transferred from Skyline College to Stanford University and UC, Berkeley as mentioned in President Stanback Stroud's Report to the Board.

Trustee Holober said the Governor's proposed budget includes an extra \$7.8 billion for CalSTRS to produce a one percent reduction in the amount of escalation of rate increases. Chancellor Galatolo said this means that faculty will receive a 1.1 percent benefit increase to their total compensation. Trustee Holober said the proposed budget also includes a commitment to fund the Promise Scholarship Program, with \$40 million for second year funding.

Student Trustee Topete Eng Goon said this is Day 33 of the government shutdown. She said this could affect student financial aid recipients in the long run, as well as GI Bill recipients in terms of customer service through the Veterans Administration.

Student Trustee Topete Eng Goon said hundreds of employees in northern California have nothing to eat. She suggested contacting local representatives to let them know of the colleges' food pantries. She said she is working with local representatives to determine the possibility of retaining federal speakers to make presentations.

Student Trustee Topete Eng Goon said there was a recent pipeline explosion in Mexico and at last count, 91 people were killed and approximately 50 injured, including children. She suggested that instead of talking about a wall, the conversation should be about how people can help. She also mentioned the escalating situation in Venezuela as an area of concern.

Vice President Schwarz said she read an article regarding South San Francisco's discussion on employee housing. She said the presenter was Barbara Christensen who discussed the District's employee housing and its success.

RETURN TO CLOSED SESSION

Vice President Schwarz said the Board would return to closed session to continue consideration of the items listed on the printed agenda. The Board recessed to closed session at 7:25 p.m.

RECONVENE TO OPEN SESSION/ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

The Board reconvened to open session at 8:37 p.m. Vice President Schwarz said the Board did not take reportable action during closed session.

ADJOURNMENT

The meeting was adjourned by consensus at 8:38 p.m.

Submitted by

Ron Galatolo, Secretary

Approved and entered into the proceedings of the February 27, 2019 meeting.

Karen Schwarz
Vice President-Clerk