

AGENDA
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
STUDY SESSION OF THE BOARD OF TRUSTEES
Wednesday, March 11, 2020
Closed Session at 4:30 p.m.; Open Meeting at 6:00 p.m.
College of San Mateo, Building 2 – Room 110 (Choral Room)
1700 West Hillsdale Boulevard, San Mateo, CA 94402

NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS

The Board welcomes public discussion.

- *The public's comments on agenda items will be taken at the time the item is discussed by the Board.*
- *To comment on items not on the agenda, a member of the public may address the Board under "Statements from the Public on Non-Agenda Items;" at this time, there can be discussion on any matter related to the Colleges or the District, except for personnel items and potential or existing litigation. No more than 20 minutes will be allocated for this section of the agenda. Speakers will be limited to three minutes each. No Board response will be made nor is Board action permitted on matters presented under this agenda topic.*
- *If a member of the public wishes to present a proposal to be included on a future Board agenda, arrangements should be made through the Chancellor's Office at least seven days in advance of the meeting. These matters will be heard under the agenda item "Presentations to the Board by Persons or Delegations." A member of the public may also write to the Board regarding District business; letters can be addressed to 3401 CSM Drive, San Mateo, CA 94402.*
- *Persons with disabilities who require auxiliary aids or services will be provided such aids with a three day notice. For further information, contact the Executive Assistant to the Board at (650) 358-6753.*
- *Regular Board meetings are tape recorded; tapes are kept for one month.*

Government Code §54957.5 states that public records relating to any item on the open session agenda for a regular board meeting should be made available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to the members of the Board. The Board has designated the Chancellor's Office at 3401 CSM Drive for the purpose of making those public records available for later inspection; members of the public should call 650-358-6753 to arrange a time for such inspection.

4:30 p.m. Call to Order

CLOSED SESSION ITEMS FOR DISCUSSION

1. Conference with Legal Counsel – Existing Litigation:
 - San Mateo County Community College District v. SJ Amoroso
San Mateo County Superior Court Case No.: 17 CIV 00477
 - Peasegood v. San Mateo County Community College District
San Mateo County Superior Court Case No.: 19 CIV 06689
2. Conference with Labor Negotiator
Agency Negotiator: Mitchell Bailey and Laura Schulkind
Employee Organizations: AFT and CSEA
3. Hearing of Student Grievance Appeal

PUBLIC COMMENTS ON CLOSED SESSION ITEMS ONLY

RECESS TO CLOSED SESSION

RECONVENE TO OPEN SESSION

6:00 p.m. Call to Order / Roll Call / Pledge of Allegiance

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

SWEARING IN OF THE STUDENT TRUSTEE

DISCUSSION OF THE ORDER OF THE AGENDA

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

NEW BUSINESS

20-3-1A Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel

Other Recommendations

20-3-100B Approval of Service Award for Student Trustee

20-3-101B Approval of Revisions to Board Policy 1.05: Student Trustee

STUDY SESSION

20-3-1C Update on Professional Services Agreement with EXOS Community Services to Operate the San Mateo Athletic Club in Partnership with the District

STATEMENTS FROM BOARD MEMBERS

RECONVENE TO CLOSED SESSION (if necessary)

RECONVENE TO OPEN SESSION (if necessary)

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION (if necessary)

ADJOURNMENT

BOARD REPORT NO. 20-3-1A

TO: Members of the Board of Trustees
 FROM: Michael Claire, Interim Chancellor
 PREPARED BY: David Feune, Director, Human Resources, 358-6775

APPROVAL OF PERSONNEL ITEMS

New employment; changes in assignment, compensation, and placement; leaves of absence; changes in staff allocation and classification of academic and classified personnel; retirements, phase-in retirements, and resignations; equivalence of minimum qualifications for academic positions; and short-term temporary classified positions.

A. ADMINISTRATIVE APPOINTMENT, REAPPOINTMENT, ASSIGNMENT AND REASSIGNMENT
 (NP = New position, * = New Employee)

None

B. PUBLIC EMPLOYMENT**1. New Hires (NP = New Position, * = New Employee)****District Office**

Elisa Roiz* Office Assistant II (NP) International Education

New part-time (48%), 12-month classified employment, effective March 16, 2020. This position was previously Board approved on December 10, 2019.

Rober Romero de la Cruz* Custodian Facilities

New full-time, 12-month classified employment, effective March 12, 2020, replacing Allan Chan who retired.

Skyline College

Amber Gougis* Retention Specialist – STEM Center Science, Math & Technology

New full-time, 12-month classified employment, effective February 27, 2020, replacing Scott McMullin who was reassigned.

Sarina O’Gilvie* Office Assistant II Business/Industry Relations
 (Bay Area Entrepreneur Center)

New full-time, 12-month classified employment, effective March 12, 2020, replacing Linda Truong who was reassigned.

Shaun Perisho* Psychology Instructor Social Science/Creative Arts

New Contract I status academic employment, effective August 14, 2020. Position was previously vacant.

Christine Shih*

Psychology Instructor

Social Science/Creative Arts

New Contract I status academic employment, effective August 14, 2020, replacing Stephen Hearne who retired.

2. Re-Employment

None

C. REASSIGNMENT THROUGH THE HIRING PROCESS

None

D. TRANSFER/ADMINISTRATIVE REASSIGNMENT**Cañada College****Nimsi Garcia Sandoval**

Program Services Coordinator
Post-Secondary Success and Completion
(Funded by the ESO Adelante Project Grant)

Student Services

Transferred from a full-time, 12-month Program Services Coordinator (Funded by ESO Grant) (Grade 27 of Classified Salary Schedule 60) into this full-time, 12-month position at the same grade and salary schedule, effective March 12, 2020, replacing Ada Ocampo who resigned.

District Office**Sundarath Tan**

Public Safety Officer

Public Safety

Transferred from a part-time (48%), 12-month Public Safety Officer (Grade 27 of Classified Salary Schedule 60) into this full-time, 12-month position at the same grade and salary schedule, effective March 12, 2020, replacing Whitney Yee who resigned.

E. CHANGES IN STAFF ALLOCATION**Cañada College**

1. Recommend creation of a new classification titled, “Director of Regional Special Projects – funded by Deputy Sector Navigator Grant” at Grade 190E (salary range: \$106,308 - \$134,652) of the Academic-Classified Exempt Supervisory Salary Schedule (35), effective March 12, 2020. In addition, recommend a change in staff allocation to delete one Project Director, DSN Grant position (3CC044) at Grade 175S (salary range: \$70,008 - \$89,436) of the Classified Professional / Supervisory Salary Schedule (40) and add one full-time, 12-month Director of Regional Special Projects – funded by Deputy Sector Navigator in the Business/Workforce Division, effective March 12, 2020. This position is a temporary, grant-funded position effective March 12, 2020 through the expiration of the grant funding.

District Office

1. At its meeting on January 9, 2019, the Board approved a “Director of Strategic Initiatives and Planning” position at Grade 192E (salary range: \$117,228 - \$148,464) of the Academic – Classified Exempt Supervisory Salary Schedule (35) in the Educational Planning and Services division. This position has not been filled since the position was approved, and now that we are in the process of filling the position on an interim basis, a technical error was discovered with this item and is being brought before the Board for correction. The position was established at Grade 193E (salary range: \$129,216 - \$163,692), which is consistent with the Director of Districtwide Research and Institutional Effectiveness, a

parallel position with equivalent level and scope of responsibility in the division of Educational Services and Planning. Staff is recommending the change in grade become effective March 12, 2020.

- 2. Recommend creation of a new classification titled, “Chief Human Resources Officer” at Grade AA (salary range: \$208,212 - \$258,720) of the Management Salary Schedule (20), effective March 12, 2020. In addition, recommend a change in staff allocation to add one full-time, 12-month Chief Human Resources Officer position and delete one Vice Chancellor, Human Resources and General Counsel position (1A0034) at Grade EC (salary range: \$238,788 - \$297,240) of the Executive Salary Schedule (10) in the Office of Human Resources, effective March 12, 2020.
- 3. Recommend creation of a new classification titled, “Chief Technology Officer” at Grade AA (salary range: \$208,212 - \$258,720) of the Management Salary Schedule (20), effective March 12, 2020. In addition, recommend a change in staff allocation to add one full-time, 12-month Chief Technology Officer position in ITS, effective March 12, 2020.
- 4. Recommend creation of a new classification titled, “Executive Vice Chancellor for Administrative Services” at Grade EC (salary range: \$238,788 - \$297,240) of the Executive Salary Schedule (10), effective March 12, 2020. In addition, recommend a change in staff allocation to add one full-time, 12-month Vice Chancellor for Administrative Services position in Administrative Services, effective March 12, 2020.

Skyline College

- 1. Recommend a change in staff allocation to add one full-time Counselor – Promise Scholar (Faculty Salary Schedule 80) in the Counseling department, effective March 12, 2020.

F. PHASE-IN RETIREMENT

None

G. LEAVE OF ABSENCE

None

H. PUBLIC EMPLOYEE RETIREMENT AND RESIGNATION

1. Retirement

Cañada College

Jeri Eznekier

Project Director
College for Working Adults

Humanities & Social Science

Retirement effective April 15, 2020 with 13.8 years of District service. Not eligible for District retiree benefits.

2. Post-Retirement

None

3. Resignation

None

I. ESTABLISHMENT OF EQUIVALENCY TO MINIMUM QUALIFICATIONS**College of San Mateo****Aina Ferrer Clotas**

Art Instructor

Creative Arts & Social Science

In accordance with Education Code 87359, the Academic Senate, Vice President of Instruction, and the President have approved the Equivalence Committee's validation of equivalent academic qualification to teach in the Art discipline.

J. PROFESSIONAL EXPERT/CONTRACT POSITIONS

<i>Location</i>	<i>Division / Department</i>	<i>No. of Pos.</i>	<i>Start and End Date</i>		<i>Services to be performed</i>
Cañada College	Business, Design and Workforce	6	03/12/2020	06/30/2020	Consultant (Non-Instructional): Facilitate Workshop for Foster parents.
Cañada College	Business, Design and Workforce	7	03/12/2020	06/30/2020	Contract Education Instructor (not-for-credit): Teach classes for the Continuing Education division at Menlo Park campus.
Cañada College	Business, Design and Workforce	7	03/12/2020	06/30/2020	Consultant (Non-Instructional): Help build educational business plans to use for research program ideas to meet the needs of the workforce.
Cañada College	Planning, Research and Institutional Effectiveness (PRIE)	1	03/02/2020	06/30/2020	Consultant (Non-Instructional): Assist, conduct, and develop a phone survey to better understand the reasons degree and transfer-seeking students do not persist from fall to spring semester.
Skyline College	Business/Industry Relations (BEPP/CWP-BAEC)	1	03/12/2020	06/30/2020	Consultant (Non-Instructional): Provide advice to the BAEC Director in support of programs, and facilitate workshops to support students, staffs and clients.

K. SHORT-TERM, NON-CONTINUING POSITIONS

The following is a list of requested classified short-term, non-continuing services that require Board approval prior to the employment of temporary individuals to perform these services, pursuant to Assembly Bill 500 and its revisions to Education Code 88003:

None

BOARD REPORT NO. 20-3-100B

TO: Members of the Board of Trustees
FROM: Michael Claire, Interim Chancellor
PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff, 574-6510

APPROVAL OF SERVICE AWARD FOR STUDENT TRUSTEE

Currently, the Student Trustee earns a maximum of \$397 per month for serving as Trustee. Prior to January 2019, when the Board received a compensation increase, the Student Trustee earned a maximum of \$378 per month. The Student Trustee is eligible, at the Board's discretion, for a service award if they fulfilled the duties of the position for a 12-month period, in an amount equal to the total already earned during their 12-month term.

Jordan Chavez was sworn in as Student Trustee in June 2019. In March 2020, Student Trustee Chavez resigned his position, and at that time, the Board determined that, due to his exemplary service, he should be awarded a pro-rated service award, though he has not completed the full 12-month term of service.

To convey this service award to the outgoing Student Trustee, the Board, as permitted by Board Policy 2.06, would need to suspend Board Policy 1.05 relating to the Student Trustee (and available compensation).

RECOMMENDATION

It is recommended that the Board suspend Board Policy 1.05 and authorize payment of a service award to Jordan Chavez as described above.

BOARD REPORT NO. 20-3-101B

TO: Members of the Board of Trustees
FROM: Michael Claire, Interim Chancellor
PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff, 574-6510

APPROVAL OF REVISIONS TO BOARD POLICY 1.05: STUDENT TRUSTEE

The District Participatory Governance Council has reviewed the following policy and has advised the Chancellor on revisions to the policy. The Chancellor concurs with these recommendations and recommends the following revisions:

- **Policy 1.05: Student Trustee** – Edits are recommended to this policy which would change the date of the elections for the student trustee. The proposed edits would move the election timelines back by one month (from April to May).

RECOMMENDATION

It is recommended that the Board approve the revisions to the above referenced Board Policy as outlined in the attached document.

CHAPTER 1: Board of Trustees
BOARD POLICY NO. 1.05 (BP 2015)

BOARD POLICY
San Mateo County Community College District

Subject: BP 1.05 Student Trustee
Review Date: 5/13; ~~XX~~
Policy Reference: Education Code Section 72023.5

PREAMBLE: In order to ensure that students have the opportunity to participate effectively in District governance and to express their opinions about important governance initiatives and issues, the Board welcomes the inclusion of a Student Trustee on the Board of Trustees. The Board encourages each College to promote their very best candidates for this office each year, by encouraging students who are deeply committed to their College and the interests of students to apply for the position. The Board believes that with a competitive election process on each campus each year, the very best candidates will emerge and that will ensure that student interests are effectively represented. The Board expects that each College will have opportunities for students from their College to serve as Student Trustee.

1. A Student Trustee shall serve a one-year term as a nonvoting member of the Board beginning June 1 each year. The student member shall be seated with the Board and shall be recognized as a full member of the Board at meetings. The student member is entitled to ~~may~~ participate in discussion of issues and receive all materials presented to members of the Board (except for closed session materials). The rights of the Student Trustee shall be limited to those mandated in the Education Code except that the Student Trustee shall have the right to make or second motions and will have the right to exercise an advisory vote. The responsibilities of the Student Trustee shall be those mandated by the Education Code and those approved by the Board including:
 - a. The Student Trustee shall be responsible and accountable to the students of the District and their elected officers.
 - i. The Student Trustee shall study the documents that are presented to the Board of Trustees at regular meetings and study sessions and represent student interests on these matters before the Board.
 - ii. The Student Trustee shall call and attend one District Student Council meeting each month to review the upcoming Board of Trustees' agenda and to discuss issues before the Board of Trustees. In addition, the Student Trustee shall attend Student Council meetings at the Colleges when deemed appropriate.
 - iii. Through the District Student Council, the Student Trustee shall keep the Student Council at each College informed about issues brought before the Board of Trustees and shall seek student input on these issues.
2. To be eligible to serve as a Student Trustee, a person must meet all statutory requirements, including:
 - a. Be currently enrolled in one of the Colleges of the San Mateo County Community College District.

BP 1.05 Student Trustee (continued)

- b. Maintain enrollment in at least six semester units during the election period and throughout the Student Trustee's term of office, and meet and maintain the minimum standards of scholarship as described in ~~Board Policy Section 6.16, of Rules and Regulations.~~
 - c. Not concurrently hold any recognized Associated Student government position in the three Colleges of the San Mateo County Community College District while holding the office of Student Trustee. Students who wish to run for Student Trustee may not be a candidate for President or Vice President of any Associated Students organization.
 - d. Run for the office of Student Trustee at only one campus.
 - e. A student is not required to give up employment with the District in order to be seated as the Student Trustee.
3. Election of Student Trustee nominees by students from each of the three Colleges shall take place by ~~March 30~~ April 30 of each year. The manner, place, and time of the election shall be determined by the Associated Students at each College. The Associated Students shall make every effort to schedule elections on different days at the Colleges.
4. A panel of seven students (two student body officers from each College, selected by the Student Government, and the outgoing Student Trustee) shall interview the three Student Trustee nominees and elect one person by secret ballot to be seated as the Student Trustee. None of the members of the panel may be a candidate for the position of Student Trustee. If there is no outgoing Student Trustee to serve on the panel, the District Student Council shall select an alternate member to serve on the panel. Four votes shall be required for election, and the process must be completed by ~~May~~ April 15.
 - a. If there is a 3-3-1 tie vote, the candidate with the least amount of votes will be dropped, and the panel will re-vote. Before a vote is taken, the candidates may be re-interviewed.
 - b. If there is a 3-2-2 tie vote, the panel will vote only on the candidates who have two votes, to break the tie, and the candidate with the least amount of votes will be eliminated. The panel will vote on the remaining two candidates. Before a vote is taken, the candidates may be re-interviewed.
 - c. If the panel is unable to elect one of the nominees to be seated on the Board by ~~April~~ May 15 of each year, the Chancellor shall select, by lot, the student to be seated on the Board.
5. The Student Trustee may be recalled for non performance of duties, violation of the Student Code of Conduct or ethical lapses by a no-confidence vote taken by the District Student Council and shall be considered passed by simple majority.
6. If a vacancy should occur during the Student Trustee's one-year term, the panel described in 1.05(4) shall convene to elect one of the remaining nominees to be seated as Student Trustee. Any College which does not have a previously elected nominee may hold a special election to select a nominee. Such nominee(s) shall be considered by the panel together with the nominee(s) from the other College(s). If the panel is unable to select from among the nominees, the Chancellor shall select, by lot, one of the nominees to fill the vacancy.
7. A student may serve as Student Trustee for only two terms, whether served consecutively or with a break in service.
8. The District shall provide monthly compensation to the Student Trustee for attending Board meetings at one-half of the maximum amount allowed for elected trustees under the Education Code. In addition, the Board of Trustees may award the Student Trustee a service award as follows:

BP 1.05 Student Trustee (continued)

- a. One payment annually, payable May 31 at the end of his/her term of office. In order to receive the payment, the Student Trustee must have been in office and fulfilled his/her duties as outlined in this section for the entire 12-month period.
 - b. Each annual payment will be equal to the total of 12 monthly compensations.
 - c. The Board of Trustees reserves all discretion for any partial allocation in case of extraordinary circumstances beyond the Student Trustee's control causing early termination of term of office.
9. Transportation allowance for travel necessary to attend Board meetings and to attend to other official District business as authorized by the Board shall be provided for the Student Trustee at the same rate as that established for other Trustees. The student trustee may, upon prior approval by the President of the Board, attend conferences and be reimbursed for expenses associated with the approved conferences. The Student Trustee shall also receive the same health and welfare benefits as are provided to Board members.

BOARD REPORT NO. 20-3-1C

TO: Members of the Board of Trustees
FROM: Michael Claire, Interim Chancellor
PREPARED BY: Tom Bauer, Vice Chancellor, Auxiliary and Community Services, 358-6782

UPDATE ON PROFESSIONAL SERVICES AGREEMENT WITH EXOS COMMUNITY SERVICES TO OPERATE THE SAN MATEO ATHLETIC CLUB IN PARTNERSHIP WITH THE DISTRICT

In accordance with District Strategic Plan Goal 4, the San Mateo Athletic Club (SMAC) contributes to generating financial resources that support educational programs beyond that which is available from community and state allocations. This report contextualizes how SMAC has become an integral resource in not only meeting Goal 4, but also engaging the broader San Mateo community and supporting quality learning opportunities for students. SMAC’s distinct operating model has allowed the facility and operation to broadly support critical campus and community needs and become a much-desired service and highly-recognized resource across the region. This report details the history of the club and its membership, operations, finances and overall community and campus contributions.

I. HISTORY

On January 27, 2010, the Board of Trustees approved the recommendation for the District to enter into an agreement with Medifit Corporate Services to operate the San Mateo Athletic Club and Aquatic Center (SMAC) located on the campus of College of San Mateo for two years, with the option for three one-year renewals. The Board of Trustees renewed the contract with Medifit Corporate Services (now EXOS) effective July 1, 2015, for five years with the option of an additional five-year renewal at the sole discretion of the District administration and included the operation of SMAC and any additional fitness club the District may open.

In the nearly ten years since the initial recommendation to the Board of Trustees, there have been over 60 reports to the Board, which include quarterly and Annual Reports. At times where staff needed Board guidance, approval or to update the Board on our progress, special presentations to the Board were conducted¹.

II. MEMBERSHIP AND USAGE

Since opening on April 1, 2010, all the measures of success one would use to judge the operations of SMAC have been met and, in most cases, exceeded. Financially, SMAC has surpassed its financial and operating goal year after year. Club membership is now just over 6,300 members. Initial projections were for SMAC to have 2,500 members after five years of operation. However, SMAC achieved that level of membership by the end of its second year of operation. As the table below reinforces, the activity of SMAC is strong and vibrant and is well used by both community members and student learners.

¹ Milestone Board Report Timeline

Table 1. SMAC Usage by Group (FY18-19)

User Group	Total Annual Visits	Monthly Average Visits
SMAC Members	320,812	26,700
CSM Kinesiology Students	48,386	4,000

Additionally, the group exercise programming has grown year over year with now over 4,500 classes taught each year with attendance in those classes exceeding 75,000 last year. The aquatics program boasts the award-winning San Mateo Masters Swim Team with now over 370 members, the Bulldog Swim Club with over 300 youth swimming for the team and has had several junior Olympic qualifiers and hosts a number of county wide swim meets, clinics, workshops and supports charity events including Swim across America and the Special Olympics each year.

III. FINANCES

The San Mateo Athletic Club generates significant financial resources that support district and college programs. SMAC's financial and operating goals are tied to the District Strategic Plan Goal 4; namely to ensure necessary resources are available to implement this Strategic Plan through sound fiscal planning and management of allocations; protect community-supported status and undertake the development of innovative sources of revenue that support educational programs beyond that which is available from community and state allocations.

Since opening the doors in 2010, SMAC has generated a total net operational income of \$8,241,057 through June 30, 2019². These funds are used by the District to support an array of operational programs and other expenses including employee salaries and benefits (classified, AFSCME and administration), depreciation, equipment costs, pool maintenance, equipment repair and sponsorships of college programs. Also included is direct support to students through established college programs.

IV. OPERATIONS

San Mateo Athletic Club is a wholly owned District operation with all assets and liabilities belonging to the District. EXOS, as the District's operating and service partner, is responsible for the daily operations of SMAC.

EXOS was named one of Fast Company's most innovative companies in 2011 and 2014. EXOS's mission is to upgrade lives. Since its founding in 1999, EXOS has become a leader in proactive health and performance, trusted by elite athletes, the military, and innovative companies worldwide³. With world class partners, facilities, technologies, and specialists spanning six continents, EXOS is progressing the intelligence behind human performance wherever necessary. They design and deliver health and performance game plans that ignite people to realize their potential. EXOS equips people to identify and overcome mental and physical obstacles, creating personal breakthroughs that lead to a healthier, higher performing, and transformed workforce. EXOS provides education and opportunities to our team members on a global basis.

EXOS has a highly experienced team of elite performance trainers who proudly provide training protocols and programs for the United States Armed Forces, elite athletes and sports teams, top companies in the

² Statement of Revenue and Expenses from Inception through June 30, 2019

³ EXOS History and Heritage Timeline

United States and abroad including Google, Intel, LinkedIn, Tesla and IBM and a number of educational institutions across the country and abroad.

All SMAC expenses and operational details are submitted to and approved by the District. In addition, all full-time employees are approved by the District before they are brought on to the staff. The Vice Chancellor of Auxiliary and Community Services works directly with the General Manager of SMAC, along with senior management of EXOS, on all aspects of the operations. All policies related to the operation are approved by the District. EXOS does not have the authority to create any policy impacting students, staff or members without the direct permission of the District.

A. Management Fee

EXOS is compensated with a management fee of \$25,000 per month (with an escalation of 5% each year of the contract) as well as an annual incentive payment if goals and objectives are achieved. The goals for the operation are planned, reviewed and approved annually in consultation with the Vice Chancellor of Auxiliary and Community Services as well as the Chief Financial Officer. When the operational goals are met and exceeded, EXOS is compensated with an incentive payment of \$100,000 if the Net Operating Income exceeds the budgeted goal and an amount equal to 15% of the extent to which the Net Operating Income exceeds that goal⁴. The budgeted goals are agreed to at the beginning of each year by the District after consultation with the Vice Chancellor of Auxiliary and Community Services, the District Chief Financial Officer and the Vice President of EXOS. During each year of the current partnership, EXOS has exceeded its goals and both EXOS and the District have benefitted from this success.

The management fee paid to EXOS has a number of component that include:

- Human Resources – Recruitment, Hiring, Training, Employee Administration
- Legal – Contract, HR, Operations Support, Client Support
- Payroll – Administration, Service Fees (Ceridian)
- Finance/Accounting – Monthly P&L, Balance Sheet, Year End Summary Statements, Operations Support/Management of dedicated on-site finance resource
- National Group Exercise Director – Strategic/Operational Support, Best Practice Implementation
- Regional Aquatics and Fitness Directors
- Performance Innovation Team (PIT) – Strategic/Operational Support, Best Practice Implementation
- Marketing Team – Strategic/Operational Support, Best Practice Implementation
- Training and Development – Certification/CEC credits, Annual Training Stipend (\$500-\$1,000 per eligible EE), Complementary EXOS performance certification/training (potential \$1,800+ per participant value)
- Extensive exposure to employment opportunities and career development (global)
- Employee exposure and participation in peer support groups/related fields – Best practices. Weekly and bi-monthly meetings/webinars.
- Regional Account Management – Diana Thomas, Brian Cameron, Bill Borque
- Design, Development and Procurement Consulting/Support
- Direct Pass Through of Preferred Pricing and Product Procurement Discounts – Pat Sullivan
- Discount Employee Purchase Benefit – Attached
- Operating Support Services Team – Dedicated to support and new center start-up

⁴ Standard Services Agreement with Medifit Community Services, now EXOS July 1, 2015

It is estimated that the costs to recreate a facsimile of this level of support to a single site or small group of sites would be significant. It is also unlikely that the level of expertise and experience present within EXOS could be acquired and assembled by any single or small group entity. An additional consideration in partnering with EXOS was the cost of the member management system alone. Systems vary in price. If procured by a single account user, the member management system would cost roughly \$150,000 to purchase with annual support fees of up to \$40,000.

B. Staffing

Another benefit to the partnership with EXOS is the ability to staff the club with highly skilled, trained fitness professionals operating in a facility that is open 364 days each year, 16 hours each day Monday through Friday and 12 hours each day on Saturday and Sunday in a fiscally responsible manner. This ensures we have the industry's most experienced professionals providing services to our members while maintaining expense control and ensuring profitability.

A detailed analysis done by Human Resources in March 2015 and updated in March 2020 analyzes all of the positions currently at SMAC along with the hours worked and places them where they would most closely align on the District's salary schedule. Without accounting for other factors including overtime, longevity service increments, shift differential among others, the total estimated cost of salary and benefits is close to the amount of our annual revenue before the allocation of any other operational expenses⁵. While it was expressed by the Board back in the early days of 2009 that at some point we transition the operation of SMAC to a District staffed enterprise, the salary analysis shows if the operation were converted to an in-house enterprise, it would not be financially sustainable.

EXOS is an equal opportunity employer and conducts all hiring and employment practices strictly in accordance with applicable employment discrimination laws and regulations. EXOS aims to provide a competitive, comprehensive compensation package for the team inclusive of salary, benefits and professional development. Team members scheduled 30+ hours per week are eligible for benefits the first month following thirty days of employment. In addition to medical, HSA, dental, and vision coverage, team members also receive company-paid life insurance and AD&D, short and long term disability, voluntary life insurance, critical illness, accident insurance, and dependent care spending account, transportation benefits, telehealth benefits, Employee Assistance Program, parental leave, and holidays. EXOS provides paid time off plans for our 30+ benefit eligible team members as well as our part-time team members scheduled between 20-29.99 hours per week. Sick time is provided as applicable. Additionally, EXOS provides a 401(k) plan for all team members 21 years of age and older after 90 days of employment. For those variable hour team members including personal trainers and GEX instructors, EXOS tracks hours of service to determine eligibility for our health plan as a full-time team member, in line with the Affordable Care Act (ACA).

C. Partnership Benefits

When the District decided to recommend entering into a partnership with EXOS, it did so because it felt strongly that the District's goals and EXOS's industry expertise and company culture were perfectly aligned. The benefits of the partnership are many. They include:

- Lower costs due to economies of scale
- Ability to concentrate on core functions
- Greater flexibility and ability to define the requisite service more readily
- Specific supplier benefits: for example, fitness related best practice, industry trend analysis, etc.

⁵ 2020 SMAC Personnel Equivalent Detailed Analysis on District Salary Schedule

- Higher quality service due to focus of the supplier
- Improved internal management disciplines resulting from the exercise itself
- Less dependency upon internal resources
- Control of budget
- Faster setup of the function or service
- Lower ongoing investment required in internal infrastructure
- Greater ability to control delivery dates
- Lack of internal expertise-no need to try to create expertise in a challenging and highly competitive marketplace
- Increase flexibility to meet changing business conditions
- Access to industry best practices
- Improved risk management
- Acquire, share and execute innovative ideas
- Increase commitment and energy in non-core areas
- Improve credibility and image by associating with superior providers
- Gain market access and business opportunities through the supplier's network – Anschutz Center as an example
- Turn fixed costs into variable costs; increased budget and expense control
- Preferred pricing/vendor relationships equipment and supplies
- Expansive national and international career advancement opportunities for staff
- Industry specific training and professional development
- Exposure and direct engagement with national teams/peer groups
- Dramatically reduce partners direct management time requirements
- Sophistication of Standard Operating Procedures
- Contribution to various departments and committees on Campus (Cosmetology, Continuing Education, Department of Public Safety, Campus Safety Committee)

Extensive Management tools and support

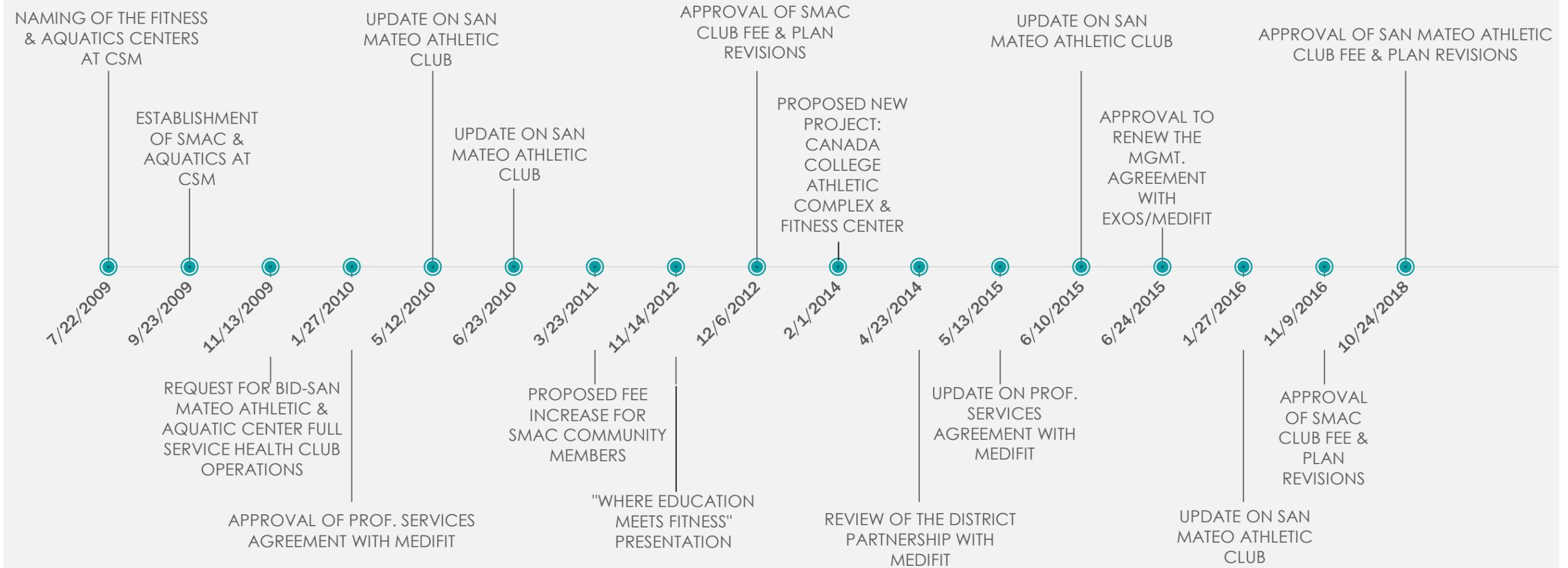
- Reporting templates customized per site
- Sales tools/strategies
- Daily sales analysis
- Quarterly analysis
- Usage reports and tracking
- Statistical data compiled monthly tracking of Aquatics, membership, retention, GEX classes, usage, financial performance and comparison, fitness appointments, membership sales, member integration, pool usage, fitness floor usage, GEX attendance, physical and retail inventories.

CONCLUSION

SMAC, through its partnership with EXOS, has exceeded every expectation the District had when it first started down this path back in 2009 with the concept of a community-based fitness facility operating side by side with the District's own exceptional academic program in an active classroom environment. EXOS has brought a wealth of industry experience and specialized club management expertise combined with a firm belief in fitness as a lifestyle. This partnership has resulted in SMAC which is now known to be among the top fitness clubs in the Bay Area working to improve people's lives every day.

The goals of the District in partnering with EXOS have been achieved and SMAC continues to grow the membership and exceed expectations in essentially every area of the operation. SMAC provides the community broader access to the College of San Mateo and demonstrates in a very real way that the District is a community-based organization serving a wide spectrum of educational and training opportunities.

SMAC MILESTONE BOARD PRESENTATIONS



DATE	BOARD REPORT NO.	MILESTONE
7/22/2009	09-7-2C	Naming of the Fitness & Aquatics Centers at CSM
9/23/2009	09-9-103B	Establishment of SMAC & Aquatics at CSM
11/16/2009	NA	Request for Proposal-San Mateo Athletic & Aquatic Center Full Service Health Club
1/27/2010	10-1-106B	Approval of Prof. Services Agreement with Medifit Corp. Services
5/12/2010	10-5-2C	Update on San Mateo Athletic Club
6/23/2010	NA	Update on San Mateo Athletic Club
3/23/2011	11-3-104B	Proposed Fee Increase for SMAC Community Members
11/14/2012	12-11-1C	"Where Education Meets Fitness" Presentation
12/6/2012	12-12-100B	Approval of SMAC Club Fee & Plan Revisions

DATE	BOARD REPORT NO.	MILESTONE
2/1/2014	14-2-3C	Proposed New Project: Canada College Athletic Complex & Fitness Center
4/23/2014	14-4-6C	Review of the District Partnership with Medifit
5/13/2015	15-5-2C	Update on Prof. Services Agreement with Medifit
6/10/2015	15-6-1CA	Update on San Mateo Athletic Club
6/24/2015	15-6-105B	Approval to Renew the Mgmt. Agreement with EXOS/Medifit
1/27/2016	16-1-11C	Update on San Mateo Athletic Center
11/9/2016	16-11-103B	Approval of San Mateo Athletic Club Fee & Plan Revisions
10/24/2018	18-10-100B	Approval of San Mateo Athletic Club Fee & Plan Revisions

SMCCCD - Auxiliary Services
 CSM Fitness Center (San Mateo Athletic Club and Aquatic Center)
 Statement of Revenue and Expenses
 From Inception to June 30, 2019

EXHIBIT 1	Year ended 06/30/2019	Year ended 06/30/2018	Year ended 06/30/2017	Year ended 06/30/2016	Year ended 06/30/2015	Year ended 06/30/2014	Year ended 06/30/2013	Year ended 06/30/2012	Year ended 06/30/2011	3 Months From 04/01/2010 to 06/30/2010	Preopening Expenditures up to 03/31/2010	TOTAL Since Inception
Operational Revenue												
Registrations	\$ 175,464	\$ 139,585	\$ 149,124	\$ 145,879	\$ 170,116	\$ 150,679	\$ 122,549	\$ 98,765	\$ 50,498	\$ 10,650	\$ -	\$ 1,213,310
Member Dues	3,379,120	3,319,140	3,259,606	3,099,949	2,872,905	2,661,861	2,301,965	1,868,551	1,425,578	167,794	-	\$ 24,356,469
Day Pass	62,025	47,356	44,315	32,631	31,890	28,175	27,445	30,486	17,864	-	-	\$ 322,186
Parking	67,955	72,895	77,823	81,932	79,451	76,119	68,904	65,302	53,816	6,202	-	\$ 650,399
Replacement Card Fee	410	520	1,060	770	1,433	2,395	1,408	1,340	1,055	-	-	\$ 10,390
Personal Training	438,873	455,346	382,964	365,862	317,949	391,000	327,489	259,621	129,154	10,582	-	\$ 3,078,841
Group Exercise	384,661	253,750	219,012	115,560	87,502	61,019	56,344	41,947	31,391	-	-	\$ 1,251,186
Aquatics	1,117,183	940,123	895,415	826,744	746,287	694,227	612,601	385,771	280,854	19,415	-	\$ 6,518,621
Retail	12,038	17,886	16,915	18,508	28,334	18,768	2,162	13,693	5,905	-	-	\$ 134,208
Decline Fees	9,959	13,833	15,140	15,102	12,915	12,052	16,625	8,590	7,616	862	-	\$ 112,692
Locker rental	16,479	8,933	8,546	8,224	-	-	-	-	-	-	-	\$ 42,182
Special Programs	-	-	-	-	-	7,969	7,777	60	-	-	-	\$ 15,806
Total Revenues	\$ 5,664,166	\$ 5,269,367	\$ 5,069,920	\$ 4,711,162	\$ 4,348,781	\$ 4,104,263	\$ 3,545,269	\$ 2,774,126	\$ 2,003,731	\$ 215,505	\$ -	\$ 37,706,290
Operational Expenses												
Aquatics Supplies	\$ 32,435	\$ 41,168	\$ 28,043	\$ 35,419	\$ 59,132	\$ 47,180	\$ 51,589	\$ 36,179	\$ 13,266	\$ 4,579	\$ 2,544	\$ 351,535
Bank Fees and Credit Card Fee	165,636	150,433	142,618	123,999	116,711	100,264	82,283	66,838	47,804	6,220	-	\$ 1,002,806
Staff Bonus	44,764	33,554	43,176	39,670	38,733	40,250	27,100	-	-	-	-	\$ 267,247
Charitable Contributions	3,434	661	913	549	700	1,030	400	200	25	-	-	\$ 7,912
Collection Fees	-	-	-	-	-	646	-	45	-	-	-	\$ 691
Insurance	67,782	63,579	60,844	54,305	49,974	40,516	30,628	27,581	27,834	-	-	\$ 423,041
Incentive Fee	160,822	127,093	140,662	136,834	224,572	219,980	110,250	165,000	60,000	-	-	\$ 1,345,213
Janitorial Maintenance/Pool	99,960	104,506	77,069	90,209	93,854	118,268	86,775	80,135	76,056	17,633	-	\$ 844,465
Locker Room Supplies	58,125	50,335	46,665	53,788	44,667	47,595	49,317	32,724	23,475	3,103	-	\$ 409,793
Maintenance & Repairs Expense	3,662	2,812	4,155	3,863	4,787	4,665	6,337	4,794	4,488	593	-	\$ 40,158
Marketing Design/Management	86,496	97,754	93,149	93,651	78,202	75,531	75,758	49,492	58,203	15,646	27,174	\$ 751,057
MediFit Management Fee	347,288	330,750	315,000	300,000	200,000	200,000	264,836	105,000	100,000	35,667	6,000	\$ 2,204,540
Miscellaneous	43,890	21,356	26,621	18,928	16,114	53,046	26,044	19,436	12,318	1,427	160	\$ 239,340
Non-capitalized Equipment	-	-	2,377	1,301	-	-	3,011	2,533	650	-	-	\$ 9,871
Office Supplies	54,133	51,915	57,615	52,376	38,453	25,381	19,372	16,298	11,411	3,238	5,134	\$ 335,325
Payroll	2,424,726	2,250,096	2,119,677	1,921,964	1,779,965	1,689,230	1,505,484	1,389,702	1,161,194	221,849	39,295	\$ 16,503,181
Payroll Taxes & Benefits	625,479	548,009	519,084	470,667	436,867	405,415	367,820	327,463	255,463	50,857	5,452	\$ 4,012,577
Printing	-	-	-	6,330	2,360	846	5,881	7,166	11,897	11,255	2,836	\$ 48,572
Pro Shop COGS	9,292	9,657	9,548	10,622	12,151	11,184	8,994	7,571	3,439	-	-	\$ 82,459
Software License fees	17,911	31,716	32,587	13,344	8,967	8,960	6,710	7,286	6,552	3,312	-	\$ 137,346
Startup Consultation	-	-	-	-	-	-	-	-	-	-	66,999	\$ 66,999
Telephone & Pager	-	-	-	-	-	456	259	249	479	-	-	\$ 1,443
Towel, Laundry and Cleaning	21,619	12,439	12,759	15,573	16,664	16,780	13,210	14,798	31,905	3,522	-	\$ 159,268
Travel and Conference	10,496	14,801	16,838	42,331	33,310	-	-	-	-	-	-	\$ 117,775
Uniforms	5,594	17,917	17,483	10,965	8,519	11,062	8,701	11,185	5,603	2,662	2,926	\$ 102,616
Total Operational Expenses	\$ 4,283,543	\$ 3,960,550	\$ 3,766,882	\$ 3,496,689	\$ 3,264,702	\$ 3,118,287	\$ 2,750,760	\$ 2,371,675	\$ 1,912,061	\$ 381,563	\$ 158,521	\$ 29,465,234
Operational Income/(Loss) before District and College Support	\$ 1,380,623	\$ 1,308,816	\$ 1,303,038	\$ 1,214,473	\$ 1,084,080	\$ 985,976	\$ 794,509	\$ 402,451	\$ 91,670	\$ (166,058)	\$ (158,521)	\$ 8,241,057
Non Operational District Support Income and Expenses												
Non Operational District Support Income												
Reimbursement from Bookstore	\$ 105,367	\$ -	\$ 380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,557	\$ -	\$ -	\$ 119,304
Interest Income on Investments	113,307	103,573	45,675	53,534	45,581	23,108	10,047	8,873	5,506	1,059	-	\$ 410,263
Operating Expenses charge back to District	114,289	95,358	84,064	88,891	97,291	103,193	62,500	62,400	59,648	-	-	\$ 767,635
Unrealized Gain - Investment	24,926	-	8,251	12,966	-	4,295	-	3,103	-	2,489	-	\$ 56,030
Total Non Operational District Support Income	\$ 357,889	\$ 198,931	\$ 138,371	\$ 155,391	\$ 142,872	\$ 130,596	\$ 72,547	\$ 74,376	\$ 78,712	\$ 3,547	\$ -	\$ 1,353,232
Non Operational District Support Expense												
District & AFSCME Staff Salary	\$ 374,328	\$ 310,845	\$ 280,217	\$ 211,744	\$ 184,933	\$ 167,204	\$ 102,273	\$ 29,416	\$ 33,423	\$ -	\$ -	\$ 1,694,383
District & Staff Benefits	144,398	110,849	76,790	60,611	42,280	41,279	33,352	8,682	586	-	-	\$ 518,826
Donations to College Programs	-	-	-	-	1,000	-	21,000	-	-	-	-	\$ 22,000

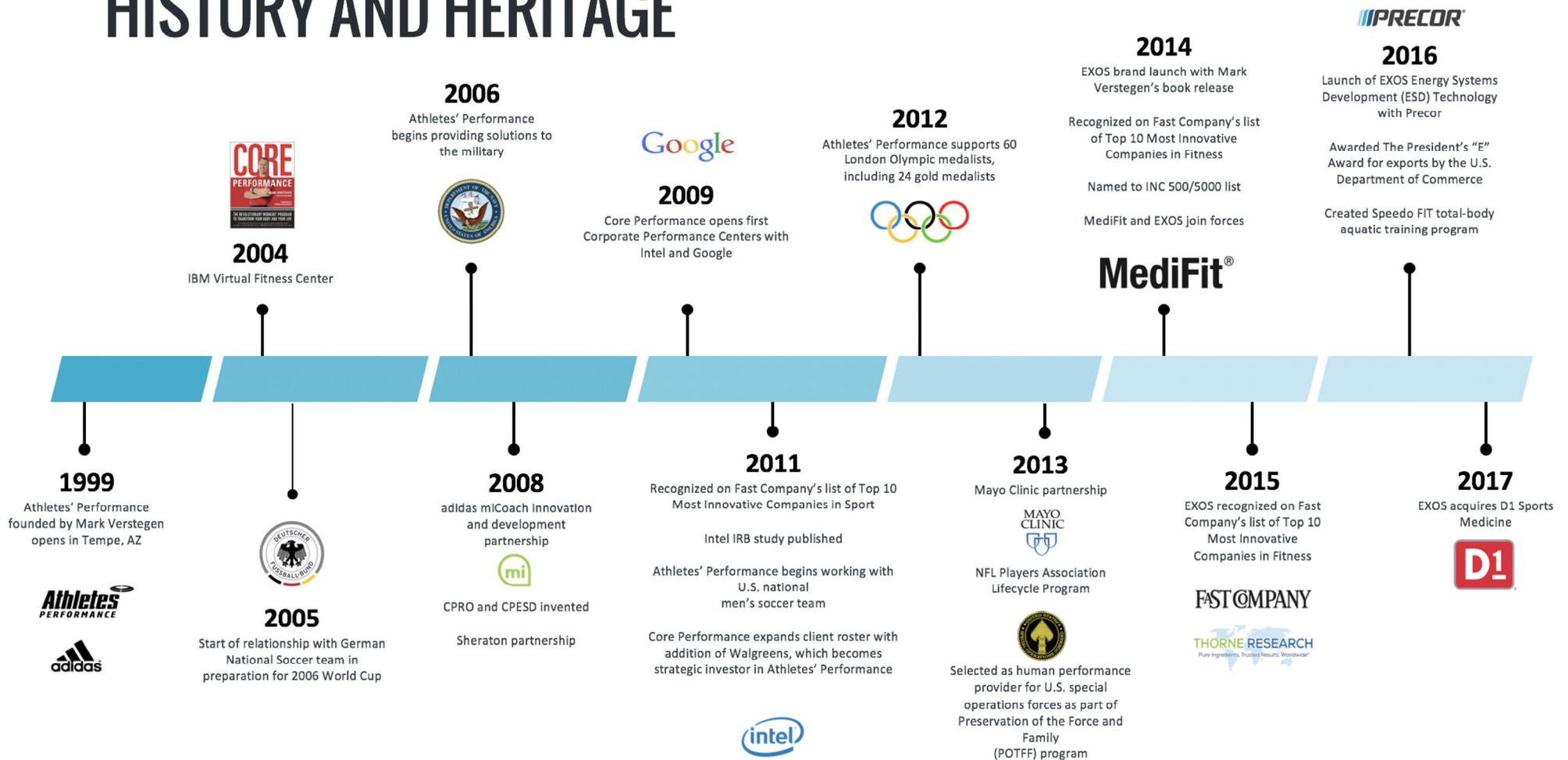
SMCCCD - Auxiliary Services
 CSM Fitness Center (San Mateo Athletic Club and Aquatic Center)
 Statement of Revenue and Expenses
 From Inception to June 30, 2019

EXHIBIT 1	Year ended 06/30/2019	Year ended 06/30/2018	Year ended 06/30/2017	Year ended 06/30/2016	Year ended 06/30/2015	Year ended 06/30/2014	Year ended 06/30/2013	Year ended 06/30/2012	Year ended 06/30/2011	3 Months From 04/01/2010 to 06/30/2010	Preopening Expenditures up to 03/31/2010	TOTAL Since Inception
Equipment Use Fee	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	-	-	-	\$ 96,000
Depreciation	46,074	44,361	42,099	19,919	-	-	-	-	-	-	-	\$ 152,453
Miscellaneous Expenses	28,704	21,476	21,447	11,650	32,243	22,161	3,616	2,925	1,323	472	-	\$ 146,017
Pool Maintenance	48,299	43,860	52,619	31,507	36,011	42,551	40,953	36,420	28,056	-	-	\$ 360,277
SEC REG 1502 COST ADJ	-	-	-	48,456	-	-	-	-	-	-	-	\$ 48,456
Unrealized Loss - Investment	39,636	13,459	-	-	88	-	8,477	-	1,473	-	-	\$ 63,133
Total Non Operational District Support Expense	\$ 693,439	\$ 556,849	\$ 485,172	\$ 395,887	\$ 308,555	\$ 285,195	\$ 221,672	\$ 89,443	\$ 64,862	\$ 472	\$ -	\$ 3,101,545
Net Income/(Loss) after Non Operational District Support Income/Expense	\$ 1,045,073	\$ 950,899	\$ 956,237	\$ 973,977	\$ 918,397	\$ 831,377	\$ 645,384	\$ 387,384	\$ 105,520	\$ (162,983)	\$ (158,521)	\$ 6,492,744
Non Operational College Support												
Operating Expense charge back waived	\$ 114,289	\$ 95,358	\$ 84,064	\$ 88,511	\$ 97,291	\$ 103,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 582,706
College Program Support (Promise, WEZ, KCSM, BAPA Scholarships, Skyline President's Breakfast, Canada Presidents Luncheon)	694,517	367,910	300,000	230,000	230,000	200,000	-	-	-	-	-	\$ 2,022,427
Total Non Operational College Support Expense	\$ 808,806	\$ 463,268	\$ 384,064	\$ 318,511	\$ 327,291	\$ 303,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,605,133
Net Income/(Loss) to Reserve	\$ 236,267	\$ 487,631	\$ 572,173	\$ 655,466	\$ 591,106	\$ 528,184	\$ 645,384	\$ 387,384	\$ 105,520	\$ (162,983)	\$ (158,521)	\$ 3,887,611

Grand Total of Operating Result	
Pre-opening up to Mar 2010	\$ (158,521)
Apr 2010 - Jun 2010	(162,983)
Jul 2010 - Jun 2011	105,520
Jul 2011 - Jun 2012	387,384
Jul 2012 - Jun 2013	645,384
Jul 2013 - Jun 2014	528,184
Jul 2014 - Jun 2015	591,106
Jul 2015 - Jun 2016	655,466
Jul 2016 - Jun 2017	572,173
Jul 2017 - Jun 2018	487,631
Jul 2018 - Jun 2019	236,267
Fund balance at 06/30/2019	\$ 3,887,610

Control total audit	
This Schedule	\$ 3,887,610
Balance Sheet	\$ 3,887,610
Error	\$ 0

HISTORY AND HERITAGE



For SMCCCD Use Only	Vendor # _____	P.O. # _____
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**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
AGREEMENT
WITH**

MEDIFIT COMMUNITY SERVICES LLC

This Agreement is entered into this 1st day of July, 2015 by and between the San Mateo County Community College District, a community college district formed and existing under the law of the State of California, having its principal business address at 3401 CSM Drive, San Mateo, CA 94402 (hereinafter called "District") and MediFit Community Services LLC, having its principal business address at 25 Hanover Road, Florham Park, NJ 07932 (hereinafter called "Contractor").

WHEREAS, it is necessary and desirable that Contractor be engaged by District for the purpose of performing services hereinafter described;

NOW, THEREFORE, in consideration of the payments hereinafter set forth, Contractor shall perform services for District in accordance with the terms and conditions set forth herein and in Exhibit A attached hereto (the "Services") and by this reference made a part hereof, and, in consideration of the services rendered in accordance with all terms and conditions set forth herein and in Exhibit A, District shall make payment to Contractor in the manner specified in Exhibit A.

1. TERM OF CONTRACT. This Agreement shall commence on July 1, 2015 and terminate on the 5th anniversary thereof. At the conclusion of the initial term of this Agreement, that District shall have the option, to be exercised in its sole discretion, to extend the Agreement for an additional five years. Notwithstanding the foregoing, if any applicable law limits the permissible length of the term of this Agreement, then the term of this Agreement shall not extend beyond the length permitted by law.
2. TERMINATION OF CONTRACT. The District may, at any time from execution of Agreement, terminate this Agreement, in whole or in part, for the convenience of the District, by giving written notice specifying the effective date and scope of such termination. Termination shall be effective on a date not less than ninety days from notice. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the District and shall be promptly delivered to the District. In the event of termination, Contractor shall be paid for all work satisfactorily performed until termination, except where the contracting department determines the quality or quantity of the work performed is unacceptable. Such payment shall be that portion of the full payment, which is determined by comparing the work/services completed to the work/services required by the Agreement.
3. INDEPENDENT CONTRACTORS. It is understood that this is an Agreement by and between independent contractors and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture of association, or any other relationship whatsoever other than that of independent contractor. Except as District may specify in writing, Contractor shall have no authority, expressed or implied, to act on behalf of District in any capacity whatsoever. Contractor shall have no authority, expressed or implied, pursuant to this Agreement to bind District to any obligation whatsoever.
4. TIME OF PERFORMANCE. Time is of the essence and Contractor shall perform the services required by this Agreement in an expeditious and timely manner so as not to unreasonably delay the purpose of this Agreement.
5. FAIR EMPLOYMENT PRACTICES/EQUAL OPPORTUNITY ACTS. District is an equal opportunity employer. By entering into this Agreement, Contractor certifies that he/she is in compliance with the Equal Employment Opportunity Requirement of Executive Order 11246, Title VII of the Civil Rights Act of 1973, the California Fair Employment Practices Act and any other Federal or State laws and regulations related to Equal Employment

Opportunity. Contractor's personnel policies shall be made available to District upon request.

6. OWNERSHIP OF PROPERTY. All tangible and intangible property developed, produced and/or provided by Contractor exclusively for the District under this Agreement shall become the sole property of District. District's ownership of property developed, produced and/or provided under this Agreement includes, but is not limited to, any specifications, drawings, sketches, models, samples, tools, computer programs, technical information, confidential business information, scripts, customer or personnel information or data, written, oral or otherwise (all hereinafter referred to as "Information"), obtained by Contractor from District or developed by Contractor exclusively for the District hereunder shall remain or become the sole property of District. Any copyrightable works or other intellectual property developed exclusively for the District in connection with this Agreement shall remain or shall become the sole property of District and, in accordance with Education Code section 72207, Contractor understands that the District's governing board may secure copyrights, in the name of the District, to all such works. If Contractor desires to make use of any such District work for any purpose not related to this agreement, Contractor must first secure prior written consent of District for such use. All copies of such Information in written, graphic or other tangible form shall be returned to District upon termination of this Agreement. Information shall be kept confidential by Contractor, shall be used only in performing hereunder, and may be used for other purposes only upon prior written approval of District Executive Vice Chancellor.
7. LICENSES, PATENTS, PERMITS. Prior to commencement of work/services to be performed under this Agreement, Contractor shall apply for, obtain and maintain in current status, at his/her own expense, any license, permit or approval required from any agency for the performance of said work/services, or forfeit any right to compensation under this Agreement.
8. LIABILITY AND INSURANCE. Contractor shall be responsible for all damages to persons or properties that occur as a result of Contractor's or Contractor's employees fault or negligence in connection with the performance of this Agreement.

The Contractor shall take out and maintain during the life of this Agreement such liability insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages and all operations under this Agreement, whether such operations be by himself/herself or by any Subcontractor or by anyone directly or indirectly employed by either of them.

8.1 Required Coverage. Contractor shall procure and maintain liability coverage which shall not be less than the following amounts (unless agreed in writing by the Executive Vice Chancellor's office):

- a. Commercial General Liability and Property Damage insurance including:
Bodily Injury Liability insurance which provides for injuries including accidental death, per any one occurrence in an amount not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate; and
Property Damage insurance in an amount not less than \$1,000,000 per occurrence.
- b. Business Automobile Liability insurance in an amount not less than \$1,000,000 including coverage for owned, non-owned and hired vehicles; and
- c. Umbrella liability in an amount not less than \$3,000,000 per occurrence and annual aggregate.

If the Contractor maintains higher limits than the minimums shown above, the District requires and shall be entitled to coverage for the higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

8.2 Required Rating. Insurance carriers must have a Best rating of A(-)X or better.

8.3 Endorsements and Certificates of Insurance. San Mateo County Community College District, its Officers, Agents and Employees must be named by endorsement on Contractor's Commercial General Liability and Property Damage Policies as co-insured or additional insured.

Certificates of Insurance and endorsements for coverages required herein shall be filed with District's Executive Vice Chancellor *prior to the commencement of work*. The certificates shall provide that if the policy or policies be canceled by the insurance company or Contractor during the term of this Agreement, thirty (30) days written notice prior to the effective date of such cancellation will be given to District's Executive Vice Chancellor. The certificates shall also show the information that the San Mateo County Community College District is named on Contractor's Commercial General Liability and Property Damage policies as co-insured or additional insured. Certificates shall clearly state that "The San Mateo County Community College District, its Officers, Agents and Employees are named as additional insured per attached endorsement" and that such insurance policy shall be primary to any insurance or self-insurance maintained by the District.

9. WORKERS' COMPENSATION INSURANCE. The Contractor shall have in effect, during the life of this Agreement that the Contractor has employees, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor certifies awareness of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and certifies compliance with such provisions before commencing the performance of this work of the Agreement as set forth in California Labor Code section 1861.

Initial this box if you have employees

I am aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of any work required under this Agreement with employees.

Initial this box only if you have no employees and will not submit a Certificate of Workers' Compensation

I have no employees and, therefore, will not submit a Certificate of Workers' Compensation.

10. INDEMNIFICATION. Contractor shall indemnify and save harmless District, its officers, agents, and employees from all claims, suits or actions of every name, kind, description, brought for, or on account of, injuries to or death of any person or damage to property resulting from performance of any work required under this Agreement by Contractor, its officers, agents, employees and/or servants.

The duty of Contractor to indemnify and hold harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require Contractor to indemnify District, its officers, agents, and employees against any responsibility or liability in contravention of Section 2782 of the Civil Code.

The indemnification and hold harmless agreement set forth above includes, but is not limited to, Contractor's agreement at its sole expense to indemnify District, its officers, agents and employees from and defend or settle any claim or action brought against District to the extent that it is based on a claim that any services furnished hereunder infringed a patent, copyright, trademark, service mark, trade secret, or other legally protected intellectual property rights. Contractor shall pay all costs, fees (including attorneys' fees) and damages which may be incurred by District, its officers, agents and employees for any such claim or action or settlement thereof.

11. ASSIGNABILITY. Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of District, and any attempted assignment without such prior written consent in violation of this

Agreement with MediFit Community Services LLC Page 4 of 10

paragraph 11 is null and void and automatically shall terminate this Agreement. In the event of any assignment, Contractor shall remain liable to District as principal for the performance of all obligations under this Agreement.

12. FAILURE TO PERFORM. If, at any time, in the opinion of District, Contractor fails to render services of proper quality or has failed to perform, keep, and observe any of the terms or conditions herein contained on the part of Contractor to be performed, kept, and observed, District may give Contractor written notice to correct such conditions or cure such default; and if any such condition or default shall continue for thirty (30) days after said written notice, then, and in that event, this Agreement shall cease and expire. Thereupon District or its duly authorized representative may employ other parties or carry this Agreement to completion as District may deem proper.
13. FORCE MAJEURE. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such parties. Such acts shall include, but not be limited to, Acts of God, labor disputes, civil disruptions, acts of war, epidemics, fire, electrical power outages, earthquakes or other natural disasters.
14. DISPUTE RESOLUTION. Should any dispute arise out of this Agreement, the parties agree to meet in mediation and attempt to reach a resolution with the assistance of a mutually agreed upon mediator. The mediation process shall provide for the selection, within fifteen (15) days of either party notifying the other of the existence of a dispute, by both parties of a disinterested third person as mediator and shall be concluded within forty-five (45) days from the commencement of the mediation unless a time requirement is extended by stipulation of both parties.

If a mediated settlement is reached, neither party shall be the prevailing party for the purposes of the mediated settlement. Each party agrees to bear an equal quota of the expenses of the mediator.

A party that refuses to participate in mediation or refuses to participate in the selection of a mediator cannot file a legal action. The non-refusing party shall be permitted to file a legal action immediately upon the other party's refusal to participate in mediation or the selection of a mediator.

15. SEVERABILITY. Should any part of this Agreement be declared through a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or to carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement, absent the unexercised portion, can be interpreted reasonably to give effect to the intentions of the parties.
16. WAIVERS. No waiver of default by District of any terms or conditions hereof to be performed, kept, or observed by Contractor shall be construed to be or act as a waiver of any subsequent default of any of the terms and conditions herein contained.
17. NOTICES. All notices to be given between the parties hereto shall be in writing and may be served by commercial express/overnight courier service or by depositing the same in the United States mail, postage prepaid and certified receipt requested and addressed to:

"DISTRICT"

San Mateo County Community College District
Kathy Blackwood, Executive Vice Chancellor
3401 CSM Drive
San Mateo, CA 94402

"CONTRACTOR"

MediFit Community Services LLC
Carl Walker, Chief Legal Officer

25 Hanover Road
Florham Park, NJ 07932

Either party by written notice to the other party may change the address of the notice or the names of the persons or parties to receive written notices.

- 18. AMENDMENTS. This Agreement may be amended only by written instrument signed by both District and Contractor which writing shall state expressly that it is intended by the parties to amend the terms and conditions of this Agreement.
- 19. GOVERNING LAW AND VENUE. This Agreement, including all exhibits attached hereto and incorporated herein by reference, shall be construed in and governed by the laws of the State of California. The parties consent to the exclusive jurisdiction and venue of the Superior Court of San Mateo County, California.
- 20. ENTIRE AGREEMENT. This Agreement, including all exhibits attached hereto and incorporated herein by reference, constitutes the sole agreement of the parties hereto and correctly states the rights, duties and obligations of each party. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are of no force or effect. In the event of a conflict between the terms and conditions set forth herein and those in the exhibits attached hereto, the terms and conditions set forth herein shall prevail.
- 21. EXPENDITURE OF PUBLIC FUNDS. Contractor agrees to comply with Government Code Section 8546.7 which provides that any contract involving expenditure of public funds in excess of \$10,000 requires that the contracting parties shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under the contract.
- 22. CAPTIONS. Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of validity of this Agreement or any provision hereof.
- 23. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.
- 24. EXECUTION. By their signatures below, each of the following represents that they have authority to execute this Agreement and to bind the party on whose behalf their execution is made.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate.

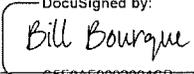
**SAN MATEO COUNTY COMMUNITY
COLLEGE DISTRICT**

By: 
Susan Harrison, Director of General Services

Date: 11 / 5 / 2015

Employer Identification Number: 94-3084147

MEDIFIT COMMUNITY SERVICES LLC

By: 
C5F0AF9092094CB
Bill Bourque, President, Client Services
Name/Title of Authorized Signatory

Date: 11/3/2015

Federal Tax Payer Identification Number (EIN): 27-3831448

EXHIBIT A

1. GENERAL.

- a. The Contractor shall be responsible for the management and supervision of the San Mateo Athletic Club ("**SMAC**") and the fitness facility at Canada located at 4200 Farm Hill Boulevard, Redwood City, CA 94061 ("**Canada**" and together with SMAC, each, a "**Facility**" and together, the "**Facilities**").
- b. The District hereby grants Contractor the right to supervise and direct the management and operation of the Facilities in accordance with the terms and conditions set forth in this Agreement. Without limiting the generality of the foregoing, Contractor, for and on behalf of the District, and at the sole cost and expense of the District, shall perform the services set forth below.

2. STAFFING.

- a. The Contractor shall recruit, hire and employ, as employees of the Contractor all persons who will work at each Facility in furtherance of such Facility's operations ("**Contractor Personnel**").
- b. The Executive Vice Chancellor or designee will be consulted, within a reasonable time period on all full-time permanent management staff hires and will have final approval.
- c. The District agrees that Contractor Personnel may be assigned to the SMAC or Canada on less than a full-time basis and may engage in other compensated activities, including such activities in connection with other projects managed or undertaken by Contractor, in which case the District will be charged for such non-full-time San Mateo Athletic Club Personnel as an Operating Expense only to the extent of the time they devote to SMAC or Canada.
- d. Such Contractor Personnel shall have degrees and/or certifications appropriate for the activities in which they are engaged.
- e. Contractor Personnel shall include, without limitation:
 - i. membership sales staff;
 - ii. General Manager;
 - iii. Fitness Coordinator;
 - iv. Aquatics Manager;
 - v. member services staff;
 - vi. group exercise staff;
 - vii. fitness floor staff;
 - viii. personal trainers;
 - ix. aquatics instructors;
 - x. service desk staff; and
 - xi. housekeeping staff.
- f. Salaries and other expenses (including the Contractor's average payroll burden) for all Contractor Personnel shall be charged to each respective Facility as an operating expense only to the extent such Management Personnel are actually employed as SMAC or Canada.

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- g. Full-time personnel shall work 40 hours per week excluding lunch and other breaks as required by law. Part-time fitness personnel shall work agreed-upon hours per week excluding lunch and other breaks as required by law.
- h. In the event that any of the personnel associated with service desk, lifeguard or fitness floor coverage provided by Contractor are unable to perform required services for any reason, Contractor will ensure that adequate coverage is provided at all times, and shall adjust coverage as needed based on the then current demands at service desk, pools and/or fitness floor.
- i. The costs for all additional personnel coverage for any of the areas mentioned above shall be included in the operating expenses billed to the District as part of the overall operating budget.
- j. In addition to the personal training sessions completed and group exercise classes taught by Contractor's full-time personnel, Contractor shall secure qualified and trained part-time personnel to provide personal training and to instruct group exercise classes in order to meet the demand for these services by the District's members.

3. PROMOTIONAL ACTIVITIES.

Contractor shall plan and conduct promotional activities for the Facilities, subject to approval by the District, which may include advertising, public relations, direct marketing and related marketing efforts, together with occasional on-site seasonal or promotional events, for the purpose of attracting and retaining employee participation and membership.

4. ASSESSMENTS AND CHARGES.

- a. Contractor shall be responsible for invoicing (as appropriate) all members of the Facilities for dues, fees and other charges, and shall manage the efforts to collect such charges.
- b. Contractor shall periodically notify the District of defaults in payment and shall make commercially reasonable efforts to collect such charges, at the District's expense.

5. LICENSES AND PERMITS.

Contractor shall apply for, obtain and maintain all licenses and permits required of the District or Contractor in connection with the operation and management (but not ownership) of the Facilities; provided that the District will cooperate with and assist Contractor's efforts and will execute and deliver any and all applications and other documents as shall be reasonably required in connection therewith.

6. OPERATING EXPENSES.

Pursuant to the provisions of Exhibit "B" of this Agreement, Contractor shall pay, on a timely basis, all Operating Expenses out of funds available in the Operating Account.

7. HOURS OF OPERATION.

- a. The hours of operation for SMAC are: Monday through Friday, 5:30 AM to 9:00 PM Saturday and Sunday 7:00 AM to 7:00 PM

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- b. The hours for the operation of Canada are to be determined.
- c. Note that Services are not provided by Contractor for the District on the District-designated holidays. The District will provide Contractor with a list of the District-designated holidays.
- d. Modifications to the hours of operation, if any, will be mutually agreed-upon by the District and Contractor and may be modified as necessary to accommodate the needs of the District. During prime time hours of operation the key service areas such as service desk, fitness floor and pool deck will have multiple staff dedicated to members and member/facility service standards as agreed upon with the District. The hours of supervision will include 8- hour shifts by each of Contractor's full-time personnel. Additional supervised hours may require an increase in the number of Contractor-provided personnel

EXHIBIT B

1. Budgets

- a. The Contractor will prepare, subject to review by the District, a budget (each, a "Budget") of gross revenue, expenses and capital improvements for each fiscal year of the Facilities during the term hereof in accordance with the following:
 - i. The fiscal year of each Facility shall be from July 1 to June 30 of the immediately following calendar year.
 - ii. The Contractor will submit each budget to the District for approval at least thirty (30) days prior to the commencement of each fiscal year.
 - iii. The District shall have thirty (30) days to dispute any draft Budget.
- b. The Contractor use its best efforts to keep operating expenses within 15% of the actual budget therefor. If such operating expenses is not accounted for in the Budget, then the Contractor shall use its best efforts to keep unbudgeted expense to below \$10,000.
- c. Each Budget shall contain a method for calculating net operating income ("NOI") of the applicable Facility. In addition, each Budget shall include a projected NOI goal for such succeeding fiscal year (each, an "NOI Goal").

2. Operating Account

- a. The Contract will maintain a bank account for each Facility (each, an "Operating Account").
- b. Each Operating Account shall be in the Contractor's and the District's names, held jointly.

EXHIBIT C

1. Base Management Fee.

- a. As compensation for the services provided hereunder, the District shall pay the Contractor a monthly base management fee (the "Base Management Fee") for each month during the term hereof (prorated for any partial months) as set forth below:
 - i. in respect of SMAC, initially, \$25,000 per month for the first year and then increasing 5% per year thereafter; and
 - ii. in respect of Canada, beginning with the start of presale or site operations (whichever comes first), initially, such amount as shall be determined and agreed to between the Contractor and the District per month for the first year and then increasing 5% per year thereafter; provided that, such amount shall be not less than 8% of Canada's projected annual revenue.
- b. The Base Management Fee shall be invoiced monthly.

2. Additional Compensation.

- a. In addition to all other amounts payable to the Contractor hereunder (including, without limitation under Section 1 of this Exhibit C), within thirty (30) days after the end of each fiscal year, the District shall pay the Contractor:
 - i. in respect of SMAC, if NOI for the preceding fiscal year is greater than the NOI Goal, the sum of:
 - 1. \$100,000, plus
 - 2. an amount equal to 15% of the extent to which NOI exceeds the NOI Goal.
 - ii. in respect of Canada, if NOI for the preceding fiscal year is greater than the NOI Goal, the sum of:
 - 1. \$100,000, plus
 - 2. an amount equal to 15% of the extent to which NOI exceeds the NOI Goal.
- b. Notwithstanding anything contained hereinabove, the District may elect to pay an estimate of any portion of the amounts set forth in Section 2 of this Exhibit C and pay such amounts in advance (whether on a monthly basis or otherwise).

2020 SMAC Personnel Equivalent Detailed Analysis on District Salary Schedule

In an effort to determine the estimated cost of operating SMAC with District staff, a listing of all the positions that currently exist in SMAC was compiled along with the total number of hours budgeted for those positions. District Human Resources staff used this information to map these positions on the District salary schedule that were closest in responsibility and scope to the position at SMAC. The equivalent position was identified and the annual budgeted hours were used to determine what the cost would be for these positions if SMAC were operated in-house. This is not intended to be an exact match. This is an exercise to illustrate a best estimate of what those costs would be.

SMAC Title	Hours	Equivalent SMCCCD Level/Title	Projected Salary	Annual Hours	Notes
General Manager	2080	None (Grade 193E)	\$163,692	1950	Salary Range of 193E = \$129,216 to \$163,692 130 fewer annual hours than SMAC
Business Office Member Services	2080	Accounting Technician (Grade 24A)	\$75,600	1950	Salary Range of 24A = \$59,124 to \$75,600 130 fewer annual hours than SMAC
Business Office Member Services	2080	Accounting Technician (Grade 24A)	\$75,600	1950	Salary Range of 24A = \$59,124 to \$75,600 130 fewer annual hours than SMAC
Retention	1040	Senior Accounting Technician (Grade 28A) - .53	\$44,068	1040	Salary Range of 28A = \$65,100 to \$83,148 \$83,148 x .53 FTE = \$44,068
Courtesy Desk Manager	2080	None (Grade 180E)	\$105,660	1950	Managers who supervise are in the supervisory (exempt) group Salary Range 180E = \$83,412 to \$105,660 130 fewer annual hours than SMAC
Courtesy Desk Staff	11450	Office Assistant II (Grade 18) - 5.87 full-time	\$378,051	11450	Salary Range of 18 = \$50,520 to \$64,404 Does not include long service increment or shift differential pay
Membership Manager	2080	None (Grade 180E)	\$105,660	1950	Managers who supervise are in the supervisory (exempt) group Salary Range 180E = \$83,412 to \$105,660 130 fewer annual hours than SMAC
Membership Representative 1	2080	Membership Services Coordinator (Grade 27)	\$80,220	1950	Salary Range of 27 = \$62,868 to \$80,220 130 fewer annual hours than SMAC
Membership Representative 2	1040	Membership Services Coordinator (Grade 27)	\$42,517	1040	Salary Range of 27 = \$62,868 to \$80,220 \$80,220 x .53 FTE = \$42,517
Membership Representative 3	1040	Membership Services Coordinator (Grade 27)	\$42,517	1040	Salary Range of 27 = \$62,868 to \$80,220 \$80,220 x .53 FTE = \$42,517
General Exercise Manager	1040	None (Grade 180E)	\$56,000	1040	Managers who supervise are in the supervisory (exempt) group Salary Range 180E = \$83,412 to \$105,660 \$105,660 x .53 FTE = \$56,000
General Exercise Instructors	4492	Part-Time Faculty	\$502,834	4492	Lecture rate = \$71.87 to \$111.94 per hour
Fitness Manager	2080	None (Grade 180E)	\$105,660	1950	Managers who supervise are in the supervisory (exempt) group Salary Range 180E = \$83,412 to \$105,660 130 fewer annual hours than SMAC
Fitness Floor Staff	8587.5	Part-Time Faculty	\$961,285	8587.5	Lecture rate = \$71.87 to \$111.94 per hour
Fitness Trainers	NA	Part-Time Faculty			Compensated at 50 to 60% of associated revenues
Aquatics Director	2080	None (Grade 180E)	\$105,660	1950	Managers who supervise are in the supervisory (exempt) group Salary Range 180E = \$83,412 to \$105,660 130 fewer annual hours than SMAC
Aquatics Assistant	2080	Staff Assistant (Grade 21)	\$69,264	1950	Salary Range of 21 = \$54,192 to \$69,264 130 fewer annual hours than SMAC
Masters Coach	1040	Part-Time Faculty	\$116,418	1040	Lecture rate = \$71.87 to \$111.94 per hour
Assistant Masters Coach		Assistant Coach	\$80,000		Assistant Coaches are paid a flat \$20,000 per season
Team Coach	1040	Part-Time Faculty	\$116,418	1040	Lecture rate = \$71.87 to \$111.94 per hour
Assistant Team Coach		Assistant Coach	\$80,000		Assistant Coaches are paid a flat \$20,000 per season
Lifeguards	13168	Lifeguard	\$197,520	13168	District misc. salary schedule needs updating to \$15 per hour
Swim Instructors	NA	Part-Time Faculty			Compensated at 50 to 60% of associated revenues
Housekeeping	5200	Custodian (2.66 full-time)	\$168,519	5200	Day shift salary = \$48,672 to \$60,336 Graveyard shift salary = \$53,540 to \$66,370 Swing shift salary @ .66 FTE = \$33,730 to \$41,813
		Sub Total without Benefits and Other Factors	\$3,673,162		
		Estimated Benefits-Blended rate 36%	\$1,322,338		
		Total Estimated Payroll without Other Factors	\$4,995,501		

Other Factors:

CSEA members whose regular schedule includes work before 6:00 a.m. or after 4:30 p.m. will receive a 5% shift differential.

Work week of SMAC = 40 hours versus work week of SMCCCD = 37.5

Above figures do not include overtime, long service increments, or shift differentials

SMCCCD employees have 17 paid holidays as opposed to SMAC with 8 paid holidays

Center is only closed on Christmas Day

Assistant coaches are paid by the season @ \$20,000, which is approximately 3 months. Four seasons are needed to cover the full year.

The above rates are salaries only. Benefits are calculated separately using a blended rate.