

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
September 24, 2008
San Mateo, CA**

The meeting was called to order at 12:10 p.m.

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

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

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

None

MINUTES

It was moved by Vice President Schwarz and seconded by Trustee Hausman to approve the minutes of the Study Session of the Board of September 10, 2008. President Holober requested the following to be added to his comments in the discussion of item 08-9-2C, Update on Cañada Vista: "President Holober reflected the consensus of the Board that the Board will have approval of the general contractor." The motion to approve the minutes as amended carried, all members voting "Aye."

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

None

STATEMENTS FROM EXECUTIVES

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

Chancellor Galatolo announced that the District Bookstores 2008 Annual Report, prepared by Director of Auxiliary Services Tom Bauer, was distributed to the Board (a copy is attached to the official minutes of record).

Chancellor Galatolo asked Director of Community/Government Relations Barbara Christensen to speak about the home savings incentive plan. Ms. Christensen said that on August 13, the Board approved the establishment of a Home Savings Incentive Plan, authorized the transfer of \$20,000 to the Plan, and authorized Ms. Christensen to seek additional funding. Recently, Stephani Scott, Executive Director of the Foundation, brought to Ms. Christensen's attention the "California Real Estate Law Newsletter," originally published by the late Robert J. Bruss. Mr. Bruss was a real estate attorney and College of San Mateo real estate professor. He used the proceeds from the distribution of his newsletter to fund various projects. Since his death in 2007, the newsletter has been edited by Harold Justman, also a real estate attorney and assistant professor at College of San Mateo, and published by the Robert J. Bruss Trust. The Trust is closing down and Ms. Christensen has obtained approval for the District to take over production of the newsletter and keep the proceeds. Assistant Professor Justman is willing to continue to produce the content and the District will be responsible for formatting, reproducing and mailing of the newsletter. Ms. Christensen has secured a commitment from Skyline for reproduction and is working with College of San Mateo to find a graphics person for formatting. Ms.

Christensen is working on how to handle subscriptions; there are 1,400 subscriptions at \$80/annually. The District would receive \$1,500 to \$2,000 per month to put into the savings incentive plan and no further fundraising would be necessary. Trustee Miljanich asked if the same law advisory group used by Professor Bruss is involved in current production; Ms. Christensen said it is and is willing to continue. Trustee Mandelkern asked if Assistant Professor Justman and/or the advisory group are compensated; Ms. Christensen said they do not receive compensation.

Chancellor Galatolo asked Executive Vice Chancellor Jim Keller to provide an update on the District's investments in the County Pool. EVC Keller said the District is trying to get detailed information and is seeking assistance from Theresa Parsons, Associate Superintendent of the County Office of Education. Newspapers are reporting the exposure to be approximately five percent. The District has a considerable amount of money in the comingled fund, with approximately \$400 million in bond money and \$100 million in general fund. In other areas that could affect the District, Lehman Brothers provides the instrument held by the trustee of one of the reserve accounts; the District is in the process of trying to terminate the contract with the trustee and EVC Keller thinks the District will be able to get all of the money, approximately \$2 million, back. AIG is the provider of the self insurance fund that reinsures most school districts in California. They have assured the districts that the policies are sound. The Foundation has AIG stock holdings of approximately \$140,000. EVC Keller said the District has relationships with several banks and is closely following developments with financial institutions. President Holober asked if the District has any current cash flow problems; EVC Keller said it does not.

President Morrow highlighted sections of her written report, including the new student orientation and the third annual Fulbright Scholar. She said the performance by the China Dance School and Theater, part of Asian Culture Week, was a spectacular event; she thanked Vice President Schwarz and Chancellor Galatolo for their attendance at this event. President Morrow said proposals are being submitted for inscriptions on Building 4, and proposals from Board members and members of the audience are welcome.

Highlighting sections of his written report, President Claire thanked Boy Scout Troop #44 of San Mateo for the refurbishment of the 18-station par course on campus. President Claire said the package of materials submitted in order to secure accreditation of the Dental Hygiene program was well received; he acknowledged the work of Charlene Frontiera and Eileen Derr. The program is on track to open in the fall of 2010. President Claire also announced that, with the Board's approval, College of San Mateo will accept the donation of a fire engine from the Belmont-San Carlos Fire Department. President Claire invited Board members to attend the annual Faculty Service Awards Reception on September 30.

Highlighting sections of his written report, President Mohr noted that Cañada College has received a \$900,000 grant from the U.S. Department of Education to help with science, technology, engineering and math education. Cañada also accepted a donation of nine automated external defibrillators from the Sequoia Healthcare District. President Mohr said the Arts & Olive Festival will be held on October 5 and performances of "The Importance of Being Earnest" will take place on October 16-18 and 23-26. President Mohr distributed a document (a copy of which is attached to the official minutes of record) showing trends from 2001-2007 in Cañada FTES and area employment; FTES and local area income; and unit and course load of Cañada students. The document also includes lists of the top twenty most enrolled courses in 2001 and 2007.

President Dilko announced the District Senate Governing Council members for this academic year: Martin Partlan and Dave Clay from Cañada College, Diana Bennett and Eileen O'Brien from College of San Mateo, and Ray Hernandez and Sandra Hsu from Skyline College. The District Curriculum Committee chair is Christine Roumbanis from Skyline. This is the group that will be working with President Dilko on initiatives that come from the College Senates as well as District initiatives. The first meeting of the District Academic Senate was spent discussing issues from last year and beginning to prioritize the work of the Senate. Members of the Senate are looking forward to leading and participating in: (1) modifications to the academic calendar; (2) acquisition of digital curriculum management systems; (3) acquisition of systems to help with workload and management of Student Learning Outcomes and assessment work on all three campuses; and (4) a new initiative

of the San Mateo County Education Summit, examining issues involved in helping students move between educational segments in the County.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

Dan Kaplan, AFT Executive Secretary, said AFT has just been made aware of a proposed change in District Rules and Regulations Section 6.32, Educational Materials. He reported that an AFT member received an email from Chief Financial Officer Kathy Blackwood that faculty members will no longer be paid royalties for their work that is sold to students. Although the current policy states that materials prepared by staff members shall be sold to students without royalty or profit to the teacher, the practice has been to pay royalties; therefore, cessation of payments would be a unilateral change. Mr. Kaplan said the District will receive a demand to negotiate letter on this issue.

NEW BUSINESS

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (08-9-2A)

It was moved by Trustee Hausman and seconded by Trustee Mandelkern to approve the actions in Board Report No. 08-9-2A. The motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA

The Consent Agenda consists of the following Board Reports:

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| 08-9-1CA | Amendment of Rules and Regulations Section 8.03, Authorized Signatures, and Deletion of Section 8.04, Warrant Signatures |
| 08-9-2CA | Approval of Off-Campus Facilities, 2008-09 |
| 08-9-3CA | Approval to Extend Telephone System Maintenance Agreement with Siemens Communications |
| 08-9-4CA | Approval to Renew Agreement with County of San Mateo to Furnish Meals for Child Development Centers, 2008-09 – College of San Mateo and Skyline College |
| 08-9-5CA | Authority to Execute an Agreement with Computerland for Microsoft Campus License Agreement for 2008-2011 |
| 08-9-6CA | Disposition of District Records |

Vice President Schwarz asked that item 08-9-4CA be removed from the consent agenda for further discussion. It was moved by Trustee Hausman and seconded by Trustee Mandelkern to approve the remaining items on the Consent Agenda. The motion carried, all members voting "Aye."

APPROVAL TO RENEW AGREEMENT WITH COUNTY OF SAN MATEO TO FURNISH MEALS FOR CHILD DEVELOPMENT CENERS, 2008-09 – COLLEGE OF SAN MATEO AND SKYLINE COLLEGE (08-9-4CA)

Vice President Schwarz asked how close in price the other bids were and asked that in the future, bid responses be included in the reports. Jan Roecks, Director of General Services, said Pacific Dining's bid was \$30,000-\$40,000 higher and Taste Nutrition's was approximately \$1,000 higher. Vice President Schwarz asked what criteria were used to recommend the County over Taste Nutrition. Ms. Roecks said the County is the only bidder with experience in dealing with State regulations; although Taste Nutrition offers meal services to many private schools, they are not required to follow these complex regulations. Telephone calls made to other

schools determined that many use the County to furnish meals. Trustee Mandelkern asked if the children at the Centers seem to like to food provided by the County. Ms. Roecks said there have not been complaints.

Other Recommendations

APPROVAL OF ACCREDITATION FOLLOW-UP REPORTS – CAÑADA COLLEGE AND COLLEGE OF SAN MATEO (08-9-1B)

It was moved by Trustee Miljanich and seconded by Trustee Hausman to approve the follow-up reports as presented. Vice Chancellor Jing Luan recognized the work done by faculty, staff, students and administrators in preparing the reports. President Holober asked if a response is expected from the Commission. Dean Katie Townsend-Merino said a response is expected in January. Trustee Mandelkern asked if there will be another site visit by the accreditation team. President Claire said there will be a one-day visit at College of San Mateo by a two-member team on November 3. The team has also asked to meet with Chancellor Galatolo regarding the District recommendations. Trustee Mandelkern asked if Cañada College will also be visited. President Mohr said there was no mention of a visit in the warning letter to Cañada and he does not know the basis for the Commission's decisions on which colleges to re-visit. President Morrow said the decision would normally be based on the specifics of the recommendations. After this discussion, the motion carried, all members voting "Aye."

ACCEPTANCE OF EXTERNAL FUNDS (08-9-100B)

It was moved by Trustee Hausman and seconded by Vice President Schwarz to approve the acceptance of funds as outlined in the report. The motion carried, all members voting "Aye."

MULTIPLE CONTRACT AWARDS FOR ACADEMIC FURNITURE (08-9-101B)

It was moved by Trustee Hausman and seconded by Trustee Miljanich to approve the contract terms as outlined in the report. The motion carried, all members voting "Aye."

AMENDMENT OF 14 SECTIONS IN CHAPTER SIX (ACADEMIC PROGRAMS) OF RULES AND REGULATIONS AND DELETION OF POLICIES 6.30, COURSES BY NEWSPAPER; 6.70, OCCUPATIONAL EDUCATION; 6.89, BASIC POLICIES FOR COMMUNITY SERVICES; AND 6.91, DEFINITION OF COMMUNITY SERVICES CLASSES AND ACTIVITIES (08-9-102B)

It was moved by Trustee Miljanich and seconded by Trustee Hausman to approve the amendments and deletions as outlined in the report. Pursuant to Dan Kaplan's earlier remarks, President Holober asked under what circumstances faculty members are paid royalties. Ms. Blackwood said the District has been paying royalties to faculty members who develop original course packs which are sold in the Bookstores for the faculty member's course. Trustee Mandelkern asked if many faculty members develop the packs; Ms. Blackwood said there are six.

Vice President Schwarz asked under what circumstances students might audit classes. Vice Chancellor Luan said many students audit classes in order to update skills. Students do not receive credits for the classes. Chancellor Galatolo said that course repetition is also a factor. After a student has taken a class as many times as allowed, he/she can continue to take the class by auditing; examples might be fitness or yoga classes. Trustee Mandelkern asked if the fees for auditing courses are comparable to regular fees. Vice Chancellor Marilyn McBride said Title 5 sets the auditing fee at \$15 per unit. After this discussion, the motion carried, all members voting "Aye."

PUBLIC HEARING OF THE 2008-09 FINAL BUDGET (08-9-103B)

Chief Financial Office Kathy Blackwood distributed a report (a copy of which is attached to the official minutes of record) which includes changes made to the District final budget report since the State budget was signed on September 23. CFO Blackwood discussed items in the report, including tentative budget assumptions and adopted budget assumptions; the State adopted budget; State budget issues affecting the District; the District budget revision and final District budget; the Resource Allocation Model; and expectations for next year.

Since the passage of the State budget, the District has revised its budget to: change COLA from 2.43% to .68%; reduce compensation contingency; adjust FTES goals; and reduce interest income.

In the revised District budget, revenues are reduced from \$116,750,201 to \$114,834,013. The Resource Allocation Model was used to allocate for historical imbalances, fixed costs, projected growth, compensation changes and identified needs. The Model then reduces all site allocations to balance the budget.

The final District budget, which the Board is being asked to approve tonight, is:

Revenues	\$114,850,676
Ongoing expenses	-114,850,676
Enrollment growth	-2,000,000
Honors program	<u>-30,000</u>
Balance	-\$2,030,000
Use of reserves:	
Carryovers	<u>-\$2,343,542</u>
Balance	-\$4,373,542
Beginning fund balance	\$10,312,552
Budget	<u>-\$4,373,542</u>
Projected ending fund balance*	\$5,939,010

*Ending fund balance represents a 5% reserve.

Vice President Schwarz asked if the District is legally required to have its budget approved by September 30. CFO Blackwood said the deadline was extended from September 15 to October 10. There is no formal penalty for not getting the budget approved by the deadline, but CFO Blackwood said late submission could eventually affect an entity's bond rating. President Holober asked if the only change in the budget presented tonight is in the unrestricted general fund budget. CFO Blackwood said this is the case; there are no changes to other funds at this time. However, there will be budget revisions to categorical funds and CFO Blackwood will bring them to the Board when the District receives the actual allocations. President Holober asked for clarification on the difference between ongoing and one-time categories. CFO Blackwood said one-time funds are available due to shifting of FTS between years. Making sure it is understood that these are only one-time funds, they have been allocated for use in promoting enrollment growth. President Holober asked if only the ongoing category will be used as the basis for future budgets; CFO Blackwood said this is correct.

After CFO Blackwood's report, it was moved by Vice President Schwarz and seconded by Trustee Miljanich to conduct the public hearing. The motion carried, all members voting "Aye." Hearing no questions or comments from the public, President Holober declared the public hearing closed.

ADOPTION OF THE 2008-09 FINAL BUDGET (08-9-104B)

It was moved by Trustee Mandelkern and seconded by Vice President Schwarz to adopt the 2008-09 Final Budget as presented above. The motion carried, all members voting "Aye."

INFORMATION REPORTS

None

STATEMENTS FROM BOARD MEMBERS

Vice President Schwarz attended the Foundation Board meeting as the Board of Trustees representative. The Foundation Board passed the allocation of the annual campaign, which will begin in January. The allocation remains the same, with 50% for scholarships, 25% for College programs and services, and 25% for Foundation operations. Vice President Schwarz enjoyed the China Dance School performance at Skyline. She also attended

the San Mateo County School Boards Association dinner, along with President Holoher. At the meeting, Scott Plotkin, Executive Director of the California School Boards Association, spoke about the State budget. Work on the Association's annual Kent Awards is starting, and a co-chair is needed. Vice President Schwarz said she will try to attend more Association meetings and encouraged other Board members to do so as well.

Trustee Mandelkern said Board members received correspondence from Mario Mihelcic, Admissions and Records Assistant at College of San Mateo. He reported that the Veterans Club raised \$625 at the Karaoke Night for the welcome home scholarship program. Mr. Mihelcic also reported that work is proceeding on a 24-hour approval process for the emergency loan program for veterans.

COMMUNICATIONS

None

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 1:42 p.m.

The Board reconvened to Open Session at 2:38 p.m.

CLOSED SESSION ACTIONS TAKEN

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

ADJOURNMENT

It was moved by Vice President Schwarz and seconded by Trustee Mandelkern to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 2:39 p.m.

The next meeting of the Board will be a Study Session on October 15, 2008 at 6:00 p.m. in the District Board Room.

Submitted by

Ron Galatolo
Secretary

Approved and entered into the proceedings of the October 15, 2008 meeting.

Karen Schwarz
Vice President-Clerk