

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
January 24, 2018, San Mateo, CA**

The meeting was called to order at 5:00 p.m.

Board Members Present: President Richard Holober, Vice President Maurice Goodman, Trustee Dave Mandelkern, Trustee Thomas Mohr, Trustee Karen Schwarz

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION

President Holober said that during Closed Session, the Board will (1) consider the recommendation for expulsion of a student, (2) hold a conference with legal counsel regarding three cases of existing litigation and one case of potential litigation as listed on the printed agenda, and (3) consider public employee discipline, dismissal, release.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY

None

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 5:01 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 6:10 p.m.

Board Members Present: President Richard Holober, Vice President Maurice Goodman, Trustee Dave Mandelkern, Trustee Thomas Mohr, Trustee Karen Schwarz, Student Trustee Alfredo Olguin Jr.

Others Present: Chancellor Ron Galatolo, Executive Vice Chancellor Kathy Blackwood, Skyline College President Regina Stanback Stroud, College of San Mateo President Michael Claire, Cañada College President Jamillah Moore, District Academic Senate President Leigh Anne Shaw

PLEDGE OF ALLEGIENCE

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

President Holober said no reportable action was taken during closed session.

DISCUSSION OF THE ORDER OF THE AGENDA

President Holober said that in order to accommodate the auditors, it was requested that items 18-1-100B through 18-1-103B be placed first on the agenda. There were no objections from the Board.

RECEIPT AND ACCEPTANCE OF THE 2016-17 DISTRICT AUDIT REPORT (18-1-100B)

It was moved by Trustee Mandelkern and seconded by Trustee Mohr to accept the audit report.

District Audit Report

Financial Statements: Auditor Jeff Jensen of Crowe Horwath LLP said the auditors rendered an unmodified opinion that the District's financial statements are free of material misstatement and comply with all accounting pronouncements that are required to be adopted by the District. No material weaknesses or significant deficiencies were identified with regard to internal control over financial reporting. There were no audit adjustments.

Federal Awards: Mr. Jensen said there were no findings related to federal compliance and the auditors rendered an unmodified opinion.

State Awards: Mr. Jensen said there was a modified opinion due to a finding related to the 50 Percent Law. In response to a question from President Holober, Mr. Jensen said that in order to be in compliance with the 50 Percent Law, the District would be required to spend \$67.2 million of its current expense of education for salaries of classroom instructors. As of June 30, 2017, the District spends \$61.3 million, or 45.63 percent, for classroom instruction.

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

RECEIPT AND ACCEPTANCE OF THE 2016-17 KCSM AUDIT REPORT (18-1-101B)

It was moved by Trustee Schwarz and seconded by Vice President Goodman to accept the audit report. Auditor Joseph Trone of Crowe Horwath LLC said the auditors rendered an unmodified opinion that the financial statements present fairly, in all material respects, the financial position of KCSM-FM. He said there were no findings or audit adjustments. Trustee Mandelkern noted that the recommendation is to accept the KCSM audit report but the actual audit report addresses only KCSM-FM and not KCSM-TV. Executive Vice Chancellor Blackwood said that because the District no longer receives a Corporation for Public Broadcasting grant, it is not required to prepare separate financial statements for KCSM-TV. Trustee Mandelkern asked that the motion be amended to read "Receipt and Acceptance of the 2016-17 KCSM-FM Audit Report." The amendment was made without objection.

After this discussion, the motion to approve the KCSM-FM audit report carried, all members voting Aye.

RECEIPT AND ACCEPTANCE OF THE 2016-17 GENERAL OBLIGATION BOND FINANCIAL AND PERFORMANCE AUDITS (18-1-102B)

It was moved by Vice President Goodman and seconded by Trustee Schwarz to accept the audits.

Measure A Financial Statements: Mr. Trone said there was an unmodified opinion that the financial statements present fairly, in all material respects, the financial position of the Measure A general obligation bond activity. There were no findings.

Measure A Performance Audit: Mr. Trone said the auditors tested a sample of Measure A expenditures from July 1, 2016 through June 30, 2017. He said the results of the tests indicated that the District expended Measure A funds only for the specific projects developed by the Governing Board and approved by the voters.

Measure H Financial Statements: Mr. Trone said there was an unmodified opinion and no findings.

Measure H Performance Audit: Mr. Trone said the auditors tested a sample of Measure H expenditures from July 1, 2016 through June 30, 2017. He said the results of the tests indicated that the District expended Measure H funds only for the specific projects developed by the Governing Board and approved by the voters.

Trustee Mohr asked how the auditors, with their extensive experience in conducting audits, would rate the District. Mr. Trone said that with no adjustments and one small finding related a state compliance area, the District's audit is excellent. He said the District's fiscal services team, as well as the teams at the Colleges, were extremely well-prepared for the audit.

After this discussion, the motion to approve the general obligation bond financial and performance audits carried, all members voting Aye.

RECEIPT AND ACCEPTANCE OF THE 2016-17 RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST AUDIT REPORT (18-1-103B)

It was moved by Trustee Mandelkern and seconded by Trustee Mohr to accept the audit report as presented. Mr. Jensen said the auditors rendered an unmodified opinion that the financial statements present fairly, in all material respects, the financial position of the Retirement Futuris Public Entity Investment Trust. He said approximately \$97 million was held in the Trust as of June 30, 2017. There was a net increase of \$16.7 million. Mr. Jensen said the Trust implemented GASB 74 as required.

Trustee Mandelkern said it appears that the District had a less than ten percent return on investments. He said that during a discussion last year, it was noted that the Retirement Board of Authority (RBOA) was rather conservative on investments but that this might change. He asked if there is an update on this issue. Executive Vice Chancellor Blackwood said she has brought this matter to the attention of both Morgan Stanley and Benefit Trust. She said she believes the group will be conducting another risk analysis as well as looking at whether the RBOA's investment policy is actually being followed. Trustee Mandelkern asked if the low return was due to an overly conservative investment policy or due to Morgan Stanley's investment advice not being as good as it might have been in light of the RBOA's investment policy. Executive Vice Chancellor Blackwood said Morgan Stanley was not following the RBOA's investment policy. She said the RBOA requested 75 percent in equities and 25 percent in bonds and they were closer to a 50 percent split, which would have a deleterious effect on returns. Trustee Mandelkern asked if part of the conversation will be whether Morgan Stanley should continue to be the fund manager. Executive Vice Chancellor

Blackwood said this has not been part of the conversation to date. She said that as Executive Vice Chancellor, she does not sit on the RBOA. However, she has had extensive discussions with Chief Financial Officer Bernata Slater who sits on the Board and will continue to work on this issue.

President Holober asked if the RBOA has the authority to tell the investment advisors what the mix of investments should be. Executive Vice Chancellor Blackwood said the RBOA has the authority to tell the investment advisors what the policy and goals should be but not which specific investments to make.

President Holober said his recollection is that the District was in the process of setting aside money toward the day when retiree benefits would be paid from the Trust rather than from the general fund. He asked if this goal has been achieved. Executive Vice Chancellor Blackwood said it has not. She said the \$7 million deduction for retiree benefits shown on the financial statement still came out of the unrestricted general fund. She clarified the process as follows:

1. The District charges itself five percent of its payroll and transfers that amount to the Post Retirement Reserve. This five percent of payroll is not yet being used to pay premiums. When the cash flow is appropriate, money is transferred from the Post Retirement Reserve to the Trust.
2. The District pays medical premium bills and Medicare bills out of the unrestricted general fund but for purposes of this liability assessment, this is shown as both revenues coming in and expenses going out.

Executive Vice Chancellor Blackwood said that when the liability is assessed every two years, the amount will change depending on the stock market, age of existing employees and some other factors.

Trustee Mandelkern asked if the RBOA's direction to invest 75 percent in equities and 25 percent in fixed income also has a cash percentage recommendation. Executive Vice Chancellor Blackwood said it does not. She said the majority of the money in the Post Retirement Reserve (as opposed to the Trust) is invested in the County Pool and is liquid.

Regarding the liability calculation, Trustee Mandelkern said the projected rate of return is seven percent. He asked if it is correct that the historical rate has been above that. Executive Vice Chancellor Blackwood said it has been just below seven percent, at approximately 6.88 percent.

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

MINUTES

It was moved by Trustee Mandelkern and seconded by Trustee Mohr to approve the minutes of the Study Session of January 10, 2018. The motion carried, all members voting Aye.

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

Chancellor Galatolo said he and Trustee Mohr will be in Sacramento on January 26 for a conference on incarcerated youth. He said Trustee Mohr was recognized earlier this week for his work on Project Change.

Cañada College President Moore said sixteen students in the STEM program received Latinos in Technology scholarships from the Silicon Valley Community Foundation. She said Cañada College recently completed a climate survey. Eighty percent of respondents said they feel that Cañada College is a great place to work and more than 75 percent said they are proud to be part of Cañada College.

Executive Vice Chancellor Blackwood said she has been sending updates to the Board regarding the state budget and will continue to keep the Board apprised of changes.

District Academic Senate President Shaw said the Senate will begin its spring work at its first meeting on February 12. She said this year the Senate will:

- appoint delegates to the Equity in Hiring Institute
- discuss revising the Senate bylaws, including consideration of moving to a President-elect election system, which could change the length of the President's term
- discuss revising the peer evaluation forms

President Shaw said she has asked the three College Senates to review their processes for applying for faculty professional development. She thanked the Board for their discussion on homelessness at the last meeting and asked the Board to let her know if there is information that the Academic Senate can provide.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None

NEW BUSINESS

APPROVAL OF PERSONNEL ITEMS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (18-1-2A)

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

APPROVAL OF CONSENT AGENDA

President Holober said the consent agenda consists of Board Reports 18-1-1CA through 18-1-9CA:

- 18-1-1CA Approval of Curricular Additions, Deletions and Modifications – Cañada College, College of San Mateo and Skyline College
- 18-1-2CA Acceptance of the AmeriCorps Student Ambassador Program Grant for October 2017-November 2018
- 18-1-3CA Acceptance of Pre-Apprenticeship and Enhanced On-the-Job Training (OJT) Grant Program Funds from the Workforce and Economic Development Division, California Community College Chancellor's Office
- 18-1-4CA Acceptance of Proposition 39 Clean Energy Workforce Grant
- 18-1-5CA Acceptance of San Mateo County Measure K Grant
- 18-1-6CA Approval of Nonresident Tuition Fee, 2018-19
- 18-1-7CA Approval of 2018-19 Integrated District Budget Planning Calendar
- 18-1-8CA Approval of District Organizational Memberships, 2017-18
- 18-1-9CA Denial of Claim Against the District

Trustee Mandelkern asked that item 18-1-6CA be removed from the agenda for further discussion. Vice President Goodman asked that item 18-1-8CA be removed from the consent agenda for further discussion. It was moved by Vice President Goodman and seconded by Trustee Mandelkern to approve the items on the consent agenda with the exception of 18-1-6CA and 18-1-8CA. The motion carried, all members voting Aye.

Trustee Mohr noted that the consent agenda included approval of three major grants – the Pre-Apprenticeship and Enhanced On-the-Job Training Grant, Proposition 39 Clean Energy Workforce Grant, and San Mateo County Measure K Grant. He said it takes a tremendous amount of effort to secure each grant and congratulated staff involved in the process.

APPROVAL OF NONRESIDENT TUITION FEE, 2018-19 (18-1-6CA)

Maxine Turner, a member of the public, said she is concerned about the amount of money being spent on recruiting and supporting international students. She questioned why the District does not charge the full amount for fees that is allowed by the state. Executive Vice Chancellor Blackwood said there are several different ways that the state allows districts to calculate the rate for nonresident tuition fees. She said the District tends to use a comparison with contiguous districts because it competes with these districts for international students. She said she attempts to have fees go up a little each year and to tie the rate to the CPI when possible. Executive Vice Chancellor Blackwood said it is important to remain competitive so that the program can continue to grow. She said the District is approaching \$10 million in nonresident tuition revenue which is used to operate College programs. She said the majority of classes at the Colleges are not full and international students are placed into existing sections, improving efficiency. She said the presence of international students improves the quality of instruction for all students in terms of their experiences. Chancellor Galatolo said international students are also charged a capital outlay fee which is calculated to make sure they pay their fair share. Trustee Mandelkern said he is comfortable with the recommended fee. He said international students are drawn to the proximity of Silicon Valley and it is important to maintain a competitive position with others in the area.

Trustee Mandelkern said that last year, he raised the issue of DACA and AB 540 students' fees. He said language was inserted in the approval of the nonresident tuition fee to protect these students from paying out-of-state fees. Executive Vice Chancellor Blackwood said AB 540 students are already exempt from nonresident tuition fees. She said the District has the ability to waive nonresident tuition for nonresident students who experience economic need; this number cannot be greater than five percent of the student population.

Trustee Mandelkern proposed adding hold harmless language to the recommendation stating that the District will continue to extend the resident tuition rate to any students who are currently benefitting from being charged the resident tuition rate because of their status under Deferred Action for Childhood Arrivals, but who have to reapply as international students under an international student visa because of a change in their immigration status. The Board agreed to the amended recommendation.

President Holober asked if there is a requirement that students from other states within the United States pay the same nonresident tuition fee as students from other countries. Executive Vice Chancellor Blackwood said they must be charged the same fee; however, districts are allowed to charge an application fee for students from other countries.

After this discussion, the amended motion to approve the nonresident tuition fee carried, all members voting Aye.

APPROVAL OF DISTRICT ORGANIZATIONAL MEMBERSHIPS, 2017-18 (18-1-8CA)

It was moved by Trustee Mohr and seconded by Trustee Schwarz to approve the organizational memberships as detailed in the report. Vice President Goodman asked if checks are routinely mailed to organizations on the list or if they are paid on demand. Chancellor Galatolo said most are invoiced and paid on demand. Executive Vice Chancellor Blackwood said all memberships must be institutional rather than individual. Vice President Goodman said that, in light of events at Skyline College, there are a few organizations that he would be interested in looking into: the Council on Black American Affairs, the African American Regional Educational Alliance, and the African American Male Education Network and Development. President Stanback Stroud said Skyline College has been a long-time member of the National Council of Black American Affairs and the Western Region Council of Black American Affairs and they should be on the list. Executive Vice Chancellor Blackwood said it is possible that the memberships have not yet been paid for this year and would, therefore, not be on the list at this time. President Stanback Stroud said staff will look into institutional memberships for the other organizations mentioned by Vice President Goodman.

Trustee Mandelkern asked approximately how much money is spent for all memberships. Executive Vice Chancellor Blackwood said she will find the total amount and provide it to the Board.

Trustee Mohr asked how requests for memberships are processed at the Colleges. President Stanback Stroud said most solicitations for memberships come from the organization to the office of the President, Vice President of Instruction or Vice President of Student Services. She said that staff members sometimes bring requests to deans or vice presidents. She said requests are discussed at Cabinet and decisions are made with consideration given to budget, whether a membership is consistent with the goals and objectives of the institution, and whether it meets the goals of the strategic plan. President Claire added that if individuals will attend conferences sponsored by organizations, it is sometimes less expensive to be a member than to pay higher registration fees. He said that memberships are not automatically renewed; conscious decisions are made in terms of what makes sense for the institution.

After this discussion, the motion to approve the District organizational memberships carried, all members voting Aye.

Other Recommendations

NOMINATIONS FOR MEMBERSHIP ON THE CALIFORNIA COMMUNITY COLLEGE TRUSTEES (CCCT) BOARD, 2018 (18-1-1B)

It was moved by Trustee Mohr and seconded by Vice President Goodman to discuss and approve any nominations. There were no nominations.

APPROVAL TO REJECT ALL BIDS AND REBID DISTRICTWIDE CLASSROOM SECURITY HARDWARE PHASE 4 – LOCKDOWN BUTTON INSTALLATION PROEJCT (18-1-104B)

It was moved by Trustee Mohr and seconded by Trustee Schwarz to reject all bids and rebid the project as outlined in the report. The motion carried, all members voting Aye. Trustee Mandelkern said this is a very important project in terms of safety and he hopes the rebidding will take place without delay.

APPROVAL TO REJECT ALL BIDS AND REBID COLLEGE OF SAN MATEO BUILDING 17 LEARNING COMMUNITIES MODERNIZATION PROJECT (18-1-105B)

It was moved by Trustee Schwarz and seconded by Trustee Mohr to reject all bids and rebid the project as outlined in the report. Trustee Mandelkern said the bids received were in the range of \$4 million. He asked what the threshold is for a design-build project. Vice Chancellor José Nuñez said community college districts are authorized to use the design-build method on projects costing in excess of \$2.5 million. He said the Building 17 project was originally under that threshold but now exceeds it due to escalating costs. Consequently, the Facilities team is examining alternative delivery methods. Trustee Mandelkern asked if the lease-leaseback method is under consideration. Vice Chancellor Nuñez said the two delivery methods being considered are design-build and lease-leaseback.

After this discussion, the motion carried, all members voting Aye.

APPROVAL OF REVISIONS TO BOARD POLICIES – 3.05, DESIGNATION OF FACULTY; 6.18, CREDIT BY EXAMINATION; 6.24, ARTICULATION (18-1-106B)

It was moved by Trustee Schwarz and seconded by President Holoher to approve the revisions as outlined in the report. The motion carried, all members voting Aye. Trustee Mohr asked if many students challenge a course for credit by examination. It was agreed that staff will investigate this question and report back to the Board.

BOARD MEMBER COMPENSATION (18-1-107B)

It was moved by Trustee Schwarz and seconded by Vice President Goodman to open discussion on an increase in compensation. The motion carried, all members voting Aye. President Holoher said that according to law, the Board is allowed to adopt a 5% increase in compensation on an annual basis. Trustee Mandelkern asked if the average salary increase for faculty and staff for the past year reached five percent. Executive Vice Chancellor Blackwood said that when considering salary only, the average varied between approximately 1.9 and 3.5 percent; however, some employees did reach a five percent increase due to a step increase or because additional steps were added. Trustee Mohr asked what amount of compensation the Board currently receives. President Holoher said he believes the stipend is approximately \$600 per month. He said he believes that if the Board were to approve a five percent increase, the total dollar amount of the increase for the entire Board would be approximately \$2,000 for the year.

It was moved by Trustee Mohr and seconded by Vice President Goodman to approve a five percent increase in Board member compensation as permitted by law. Trustee Mandelkern said he will vote “No” for the reasons he has expressed in previous years. The motion carried, with President Holoher, Vice President Godman, Trustee Mohr and Trustee Schwarz voting Aye and Trustee Mandelkern voting No.

INFORMATION REPORTS

PURCHASING AND CONTRACTS (18-1-3C)

Executive Vice Chancellor Blackwood provided an overview of purchasing and contracts, including purchasing limits, typical contracts, contract standardization, and warrant listings. With regard to contracts resulting from bids, she said all bids come to the Board for approval of the award. The timing of the bid or the RFP evaluation and selection process may not result in a finalized contract when the Board is asked to approve the award. Therefore, staff may request authority to enter into a contract so that contract finalization can proceed and work may begin in advance of contract ratification at a future Board meeting.

Executive Vice Chancellor Blackwood said it is recommended that contract language be included with the request for approval in the following instances:

- Annual membership dues over \$25,000
- Lease agreements over \$25,000
- Purchases of products or equipment over the legal bid limit of \$90,200
- Contracts or agreements for services (except public works projects) in excess of the \$90,200 legal bid limit
- Public works projects over \$175,000

Executive Vice Chancellor Blackwood said all contracts above the bid limit will come to the Board in some form:

- All bids where bid evaluation, selection and contract negotiations have been finished prior to the Board meeting will include the proposed contract with the request for approval of the award.
- Contracts finalized after Board approval of the bid award will come to the Board for ratification.
- Initial contracts but not renewals will come to the Board.

Executive Vice Chancellor Blackwood said some contracts exceed 300 pages with exhibits; it is recommended that not all exhibits be included when contracts are provided to the Board.

Trustee Mohr asked if an entire contract or the most pertinent parts of the contract would be provided to the Board. Executive Vice Chancellor Blackwood said she envisions bringing the main part of the contract, which will detail when the contract starts and ends, what the liability is, how much and when the District is paying, etc. Trustee Mandelkern said the statement of work and compensation may be spelled out in the exhibits rather than in the body of the contract. He said the Board should be provided the relevant details and how much of a contract to include will depend on the structure of the contract. Executive Vice Chancellor Blackwood said she can review contracts before they are brought to the Board and make sure that all relevant details are included either in the contract being provided or in the accompanying board report.

Vice President Goodman said any deviation from the norm should be pointed out when presenting contracts to the Board.

Trustee Mandelkern said that if there is a competitive bidding process, he would like to see the names of other bidders and the amounts of the bids.

President Holober said he believes there are two reasons for presenting the entire contract:

1. The right of the public to know what language exists and to be able to express their points of view prior to entering into the contract. President Holober said this is spelled out in the Education Code and is a major pivotal point in litigation that is underway now involving the District.
2. The right of the Board to make sure they have the opportunity to weigh in with questions and concerns. President Holober said that in the past, there was difficulty in getting a copy of a large contract prior to ratification.

President Holober said he believes the trustees have the right to be provided a contract in its entirety if so requested. He said the contract should be provided with sufficient advance notice so that it can be reviewed before the Board meeting. He said trustees are careful to not micromanage the District; however, when a trustee has concerns, he/she should have the right to request a copy of the proposed contract sufficiently in advance of Board action.

President Holober said he believes that any time the District enters into a new or novel type of enterprise – which it is doing through the enterprise programs – it is venturing into areas in which it does not have experience or expertise. He said that when such a contract reaches a certain size, it should be provided to the Board well in advance and should be reviewed by outside counsel with expertise in the area. President Holober said he believes the same should be the case with exceptions to standard contracts and renewals that alter the terms and conditions of an existing contract.

Trustee Mohr said he believes the guiding principle should be that the Board needs to know the essence of what is in a contract before approving it.

Trustee Mandelkern said the guidelines presented by Executive Vice Chancellor Blackwood do not address the issue of redacted information. He said he recalls at least two occasions in the last ten years in which contracts were brought to the Board with significant financial information redacted because it was felt that sharing them in public would damage the District's negotiating position or competitive nature of the business, etc. Trustee Mandelkern said he does not believe this is appropriate because a public institution has a responsibility to make sure contracts are vetted in the light of day. He said Board members have a responsibility to review the financial terms of a contract. He said that being asked to approve a contract in which the terms are redacted is inappropriate.

Trustee Schwarz said she recalls that there have been explanations whenever information has been redacted from contracts. She said she has confidence in staff to know when it is not appropriate to make certain information public and in some instances the information can be provided in closed session. Trustee Schwarz said she gets very nervous about the Board getting so deeply into the weeds of contracts because this is not their expertise. She said the District hires people to do this and she is confident they do it well. She said she has no concerns about Board members asking questions about what is in a contract. However, she said that if Board members try to go back and recreate why something happened, it is sometimes necessary to take ownership of not having asked the right questions. Trustee Schwarz said she believes the Board will need to have a deeper discussion about the process because the

recommendations brought by Executive Vice Chancellor Blackwood are apparently not sufficient for some Board members.

Vice President Goodman said he believes the issue is the anatomy of a contract – what the administration believes the anatomy is and what the Board is willing to accept once a contract is presented to them. For instance, if the Board does not want renewal terms or automatic rollovers to be included in contracts, they should not be part of standard contracts. Vice President Goodman said he believes there should be a broader conversation around what the Board accepts and believes the anatomy of a contract should be and what the administration believes it should be. He said the discussion about areas of concern should result in a common understanding of the Board's expectations regarding contracts that come to them.

Trustee Mohr said he recalls only one case in which there was redaction in a contract. He said he can conceive of cases in which redaction would be in the interest of the District. He said he would like to have expert input regarding when redaction is permissible. Trustee Mohr said that with regard to contracts, in many cases the Board depends on the insight and experience of staff. He said he does not want to see every word of a contract. He wants to be able to understand the relevant information in a contract and be able to take a position on it. He suggested that the Board not go to the lengths of getting into the weeds of contracts.

Trustee Mandelkern said he does not suggest that the Board micromanage contracts. He asked that staff use common sense to bring relevant information no matter where it appears in a contract so that the Board can make informed decisions.

President Holober agreed that the Board cannot decide at this meeting what is the right thing to do. He said he will suggest during discussion of an upcoming item that the Board talk about characteristics of excellent, high-performing institutions. He said this would include reviewing some of the District's practices, in particular some practices brought up during this discussion. President Holober said that being in litigation leads him to think about how we can perform better and, by performing better, avoid certain problems. He suggested the Board come back to this item at the retreat or another time.

CAPITAL IMPROVEMENT PROGRAM-PHASE 3 (CIP3) UPDATE (18-1-4C)

José Nuñez, Vice Chancellor of Facilities Planning, Maintenance and Operations, said a District bond measure was passed in 2014 and conceptual budgets were devised for various projects Districtwide. The current program is valued at \$550 million to \$600 million. Since the passage of the bond measure, market conditions have changed: there is a myriad of current construction projects in San Francisco and on the Peninsula; construction costs have risen dramatically since the District's program was implemented; labor shortages have developed; costs of materials have risen; there are unknown impacts on commodities due primarily to natural disasters.

Chris Strugar-Fritch, Director of Capital Projects, outlined the four major projects:

Cañada College Building 1N – Kinesiology and Wellness Center

The 110,000 square foot project includes an activated roof, expansion of Parking Lot 6, and expansion of the plaza at the north end of the project so that it connects with the central plaza of the campus. Construction and design documents were submitted to the California Division of the State Architect (DSA) in two increments: (a) site work and (b) the building and plaza itself. Approval of Increment 1 is expected in March and approval of Increment 2 is expected next July. The existing building has been demolished and the groundbreaking ceremony for the new building was held. The project is forecast to be completed in the third quarter of 2020. The current total estimated project cost is \$114 million. It is anticipated that the guaranteed maximum price will be brought to the Board for approval next summer.

Cañada College Building 23N – Science and Technology

The 50,000 square foot building will house programs such as Radiology, Anatomy, Computer Science, and general lecture classrooms. It also includes improvements to the Central Utility Plant and development of the north plaza. Increment 1 of this project was approved by the DSA earlier this month and Increment 2 is expected to be approved in late March or early April. The project is forecast to be completed in the third quarter of 2019. The current total estimated project cost is \$69 million. It is anticipated that the guaranteed maximum price will be brought to the Board for approval in the next one to two months.

Skyline College Building 12N – Environmental Science

DSA approval for Increment 1 of the 22,000 square foot building was received in September 2017 and approval of Increment 2 is expected in the very near future. The groundbreaking ceremony was held in October 2017. Site utility work is progressing at this time and the foundation work will begin within one month of the DSA approval of Increment 2. The project is forecast to be completed in the first quarter of 2019. The current total estimated project cost is \$38 million. It is anticipated that the guaranteed maximum price will be brought to the Board for approval in the next one to two months.

Skyline College Building 1N – Creative Arts and Social Sciences

The approximately 125,000 square foot building will replace the existing Building 1. It is still in the design phases and DSA submittals will start in summer 2018. The existing building is planned to be demolished approximately one year from now. The project is forecast to be completed in the fourth quarter of 2021. The current total estimated project cost is \$160 million. The guaranteed maximum price will most likely be brought to the Board for approval in the first quarter of 2019.

Natalie Saylor of Leland Saylor Associates discussed market conditions in the Bay Area. The volume of construction increased 350% since 2012 and volume was up 40% in 2017. Specialty trade employment rose 54% since 2011. The cumulative cost increase since 2014 was 32.4%. Current costs risks include: rising costs due to increasing wages and contractor margins; decreasing competition; shortages in mechanical/engineering/plumbing; severe shortages in major supply chains; and ongoing escalation for multi-year projects.

Vice Chancellor Nuñez discussed funding sources. Identified funding totals \$452 million, and the current projected total program budget is \$550 to \$600 million, which leaves a shortfall. There is potential additional State Capital Outlay funding of \$45.2 million; however, this requires matching funds from the District. There are also potential funds from insurance of approximately \$16 million.

Trustee Mandelkern asked what the prioritization process is for projects, given the funding gap. Vice Chancellor Nuñez said staff worked hand in hand with the College presidents and their executive teams to prioritize projects and many have come off of the list. He said the four major projects remain, along with ancillary projects to support them.

President Holober asked if there are other funding sources that can be anticipated, such as Proposition 39 funds. Vice Chancellor Nuñez said Proposition 39 energy funds end this year. He said there is a potential to receive scheduled maintenance funding but this would be miniscule in terms of meeting needs. Chancellor Galatolo said the District might want to consider floating a Certificate of Participation (COP) to meet the District's match requirement if it receives the \$45.2 million in State Capital outlay funds. He said staff is looking at ways to offset the cost of a COP. Chancellor Galatolo said the intent is to inform the Board now of market conditions and the resulting gap in funding and to bring funding options to the Board in the future.

Trustee Schwarz asked if there is any discussion of delaying projects rather than eliminating them. Chancellor Galatolo said economic predictions indicate that it could be advantageous for the District to delay capital projects that are state funded for approximately 36 months.

Trustee Mohr suggested that thought be given to informing faculty and staff of the rising cost factors. Vice Chancellor Nuñez said he will work with the College presidents and their executive teams to set up open forums.

Trustee Schwarz said that at the last meeting of the Educational Housing Corporation Board of Directors, they were informed of the severe labor shortage and told that workers are being brought in from around the state and country. Mr. Strugar-Fritsch said productivity is down because of workers who have long commutes and workers who are not familiar with the area and with California regulations.

2018 CONTRACTOR PREQUALIFICATION UPDATE (18-1-5C)

Trustee Schwarz noted that there is only one contractor listed for some license types and asked if this is a concern. Vice Chancellor Nuñez said this could be a concern but he is comfortable for the most part, particularly with the listing of 65 Class B General Building Contractors. President Holober asked about the level of investigation of applications from contractors. Michele Webster, Facilities Planning and Operations Administrative Assistant, said a team of three staff members conduct an extensive investigation, including checking on insurance, visiting the Department of Industrial Relations website, checking county websites to see if there has been litigation, and checking references. They then go

through the list with Vice Chancellor Nuñez and Mr. Strugar-Fritsch to determine whether follow-up investigation is needed.

DISCUSSION OF AGENDA FOR BOARD OF TRUSTEES ANNUAL RETREAT (18-1-6C)

President Holober asked for Board member input on topics for the upcoming retreat on February 3. Trustees offered suggestions as follows:

Trustee Mohr – how to continue to pursue the matter of race, class and privilege, including support of great teaching; principles of governance for exceptional boards; importance of reviewing the strategic plan on a regular basis; College Promises.

Trustee Schwarz – continuation of the discussion on race, class and privilege; continuing conversation on student housing; update from the Foundation and determination of how the Board feels about the District’s commitment to the Foundation.

Trustee Mandelkern – study session topics for the coming year; review of goals and metrics of strategic plan; Chancellor evaluation process in context of goals connected to the strategic plan.

Vice President Goodman – college redesign; student food insecurity and housing, including strategizing actionable steps; update on College Promise Programs and a uniform District Promise Program.

President Holober – principles of governance of excellent boards; review of Chancellor goals in relation to evaluation (during a closed session at the end of the day).

President Holober said he believes it is premature to try to determine a plan or solution with regard to housing, but said he believe this should be a topic for an objective, third party review in the near future. Trustee Mandelkern noted that staff is preparing a white paper on housing that will be useful for the discussion.

Trustee Mandelkern suggested that the Board determine topics for the retreat and prioritize other topics for future study sessions. Trustee Schwarz said there is an ongoing list of study session topics that can be considered along with topics suggested by Board members at this meeting. Vice President Goodman said retreat topics will in some part be based on the data that staff is able to put together in time for the retreat.

Chancellor Galatolo said staff have potential topics of interest for the coming year as well, including Board/Chancellor relations; budget priorities, including Promise, equity and technology funding; Public Safety recommendations; distribution of available Enterprise funds; update on strategic plan/evaluation of metrics; legislative initiatives, including food insecurity, 2 + 2 and DACA; and Board goals beyond the strategic plan.

During Board discussion, it was agreed that the agenda for the Board retreat would consist of the following items:

- Strategic plan review and update
- College/District Promise Programs
- Board governance issues
- Distribution of Enterprise funds
- Setting of study session topics
- Review Chancellor goals and Board/Chancellor relations during closed session

COMMUNICATIONS

None

STATEMENTS FROM BOARD MEMBERS

Student Trustee Olguin said this will be his last semester as a student in the District. He said it is a pleasure to attend Board meetings.

Trustee Mandelkern said the San Francisco Unified School District held a study session on the issue of housing. He said he will reach out to a Board member he knows to see if there is common work and common solutions to share. Trustee Mandelkern mentioned the booklet on the “Regina Stanback Stroud Diversity Award” winners which was

distributed to Board members. He congratulated President Stanback Stroud on having this prestigious award named in her honor.

Trustee Mandelkern said the topic for the 2018 Black History Month is African Americans in Times of War. He said this brought to mind the Williams family from San Mateo. Leslie Williams graduated with the San Mateo Junior College class of 1939 and was a graduate of Stanford University. He had many distinctions and accomplishments, including being a Tuskegee Airman and being in the first class of bomber pilots. He also played a significant role in the integration of the armed forces. Leslie Williams' father was Noah Williams, who was the proprietor of Noah's Ark, a famous 1920s and 1930s San Mateo restaurant. Archie Williams, a cousin of Leslie, was also a graduate of San Mateo Junior College and was a career Air Force officer and meteorology instructor. He was a gold medalist in the 1936 Olympics in Berlin. When asked about Adolph Hitler's refusal to shake Jesse Owens' hand, he replied, "Hitler wouldn't shake my hand either." When he came home from World War II he was asked, "How did those dirty Nazis treat you?" He replied, "I didn't see any dirty Nazis, just a lot of nice German people, and I didn't have to ride in the back of the bus over there." Trustee Mandelkern said he hopes that something can be done to highlight the Williams family's accomplishments. President Claire said he will make sure that Trustee Mandelkern's comments are passed on to the students who are planning Black History Month activities.

Trustee Schwarz said she learned from the Retiree report that the San Mateo Junior College was originally part of the San Mateo Union High School District and was governed by the high school district Board of Trustees. It became one of the first junior colleges in the state to split from its high school district and form its own public agency.

Trustee Schwarz thanked Jennifer Taylor-Mendoza, Interim Vice President of Instruction at Skyline College, for sending information to the Board on HIP Housing as requested. She said this information can be helpful as the board continues to discuss the housing issue.

Trustee Schwarz said she will attend the Foundation's Chancellor's Circle dinner to be held on January 31 at the History Museum in Redwood City. She said she and Vice President Goodman attended the Educational Housing Corporation Board of Directors meeting on January 23. She said Vice President Goodman mentioned that the District Board was discussing student housing and members of the Housing Board expressed interest in this item.

Trustee Schwarz said she would like to make sure that the issue of transportation continues to be an item of discussion. Chief of Staff Mitchell Bailey said he is working with Aaron McVean, Interim Vice President of Planning, Research and Institutional Effectiveness, to develop a survey in order to obtain hard data on what the transportation issues are for District students. He said he is continuing to work with SamTrans to build a stronger relationship and find common ground. He said SamTrans understands the challenges that students have and the District also understands the issues SamTrans has as a public transportation agency.

Vice President Goodman thanked Trustee Mandelkern for his comments on Black History Month and on the Williams family. He said the contributions and history of African Americans should not be relegated to just one month nor should the contributions of other marginalized communities. He suggested that the Board continue to have conversations about these contributions and consider bringing individuals forward and honoring them with resolutions.

Vice President Goodman said a member of the Jefferson Union High School District (JUHSD) reached out to him regarding the upcoming joint meeting and noted that the only topic mentioned to the JUHSD Board concerns the two districts continuing to work together. Vice President Goodman said he had asked at a prior meeting that one topic for a joint meeting be to further the conversation on race, class and equity, a topic in which the JUHSD board member is also interested. Chancellor Galatolo said he and President Stanback Stroud met with the superintendent of the JUHSD and there was agreement that the Middle College and expansion of the Early College program would be topics for discussion at the joint meeting. Trustee Mandelkern suggested that the College Promise programs and how they can integrate with the high schools also be an item for discussion.

Trustee Mohr congratulated Dr. Jeremiah Sims, Director of Equity at College of San Mateo, on the tremendous program on equity teaching that he has developed. Trustee Mohr said the most basic mission of the organization is the delivery of curriculum. He said he believes excellent pedagogy should be supported at a higher level than is currently being done. He said he would like to have Dr. Sims come to a meeting to talk to the Board about this topic.

Trustee Mohr said data about the accomplishments of the Promise Program at Skyline College was included in an issue of "Skyline Shines" and in President Stanback Stroud's executive report to the Board. He said the data was outstanding and is exactly what the Board wishes to see.

President Holober congratulated the College of San Mateo Jazz Ensemble on being a 2018 Monterey Jazz Next Generation Festival Finalist. He said College of San Mateo is the first community college to be named a finalist in quite a few years. He said it is a wonderful distinction.

President Holober said District Academic Senate President Shaw reminded him that the ACCT Annual Legislative Conference will be held in Washington, D.C. next week. As part of the conference, the Community College League of California will convene its own meeting for the purpose of then going forth to brief Congress about community college issues.

ADJOURNMENT

The meeting was adjourned by consensus at 9:05 p.m.

Submitted by

Ron Galatolo, Secretary

Approved and entered into the proceedings of the February 28, 2018 meeting.

Maurice Goodman
Vice President-Clerk