

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
May 15, 2013, San Mateo, CA**

The meeting was called to order at 6:31 p.m.

Board Members Present: President Karen Schwarz, Trustees Dave Mandelkern and Patricia Miljanich, Student Trustee Bailey Girard

Others Present: Chancellor Ron Galatolo, Executive Vice Chancellor Jim Keller, Skyline College President Regina Stanback Stroud, College of San Mateo President Michael Claire, Cañada College President Larry Buckley, District Academic Senate President Diana Bennett

Pledge of Allegiance

President Schwarz said that Trustee Holoher's wife, Nadia, passed away last week and funeral services were held yesterday. She said the Board will adjourn this meeting in memory of Nadia Holoher.

Trustee Schwarz reminded the Board that California Education Code Section 72000(d)(3) specifically provides that "except as otherwise provided by law, the governing board [of a community college district] shall act by a majority vote of all the membership constituting the governing board." A majority of the current Board membership is three; therefore, at tonight's meeting, a unanimous vote will be required to pass any action items.

DISCUSSION OF THE ORDER OF THE AGENDA

President Schwarz said that item 13-5-103B, Election of Board of Trustees Vice President-Clerk, is being removed from the agenda. It will be brought to a future meeting at which Trustee Holoher is present.

President Schwarz asked that the report by José Luis Sanchez-Sosa, President of the Associated Students of Skyline College (ASSC), be presented first in order to accommodate his schedule for final exams. There were no objections.

Mr. Sanchez-Sosa said there are 36 active clubs with great diversity, including the new Myanmar American Student Association. Spring events included Heart to Heart, 1 Billion Rising, Cesar E. Chavez Volunteer Fair, hAPI Festival, and National Poetry Month. Donations and sponsorships by ASSC included the Cesar E. Chavez Commemorative Luncheon, President's Breakfast, Student Recognition and Awards Ceremony, and the Skyline College Lecture Series: A Call to Consciousness. ASSC held a Leadership Retreat; student leaders also attended the National Grassroots Legislative Conference in Washington, D.C. and the General Assembly of the Student Senate for California Community Colleges. The speaker at the May 24 commencement ceremony will be Juan Sepúlveda, Senior Advisor for Hispanic Affairs at the Democratic National Committee (DNC).

President Schwarz said Mr. Sanchez-Sosa's reports are always entertaining and informative and he will be missed after he graduates. Trustee Mandelkern wished Mr. Sanchez-Sosa good luck. He said he hopes Mr. Sanchez-Sosa will have opportunities to demonstrate the leadership skills he has exhibited so well at Skyline College. Trustee Miljanich said she looks forward to hearing about Mr. Sanchez-Sosa's future activities.

MINUTES

It was moved by Trustee Miljanich and seconded by Student Trustee Girard to approve the minutes of the regular meeting of April 24, 2013. Trustee Mandelkern said the word "not" was omitted when citing a comment by Professor David Laderman regarding plus/minus grading. With this amendment, the motion carried, all members voting "Aye."

It was moved by Trustee Miljanich and seconded by Student Trustee Girard to approve the minutes of the special meeting of May 3, 2013. President Schwarz announced that the date of this meeting is printed incorrectly on the minutes distributed in the board packet. The minutes of record will show the correct date of May 3. With this amendment, the motion carried, all members voting "Aye."

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

Chancellor Galatolo said Robert's Rules specifies that the vice president of an organization becomes president upon the retirement or resignation of the president; therefore, Trustee Schwarz is now the Board President. As noted above, the election of the Vice President will take place when all current Board members are present. Chancellor Galatolo said he received notice from Caltrain Executive Director Mike Scanlon that Saturday bus service to Cañada College will not be eliminated and will be reevaluated at a future time. President Schwarz suggested that this message be delivered to students. Chancellor Galatolo said he will provide Caltrain contact information to President Buckley.

Skyline College President Stanback Stroud congratulated Mr. Sanchez-Sosa and said his enthusiasm and charisma have engaged students at Skyline College. President Stanback Stroud said Vanessa Chosa is the recipient of the Karl S. Pister Scholarship and will attend the University of California, Santa Cruz. Another student, Mark Lipkin, has been very active in student government and has received a full scholarship to the University of California, Berkeley. President Stanback Stroud said the College is preparing for commencement. She said an increasing number of students are participating in the commencement ceremony.

College of San Mateo President Claire said the brother of the College's Pister Scholarship recipient is an athlete at College of San Mateo and has received a full scholarship to Louisiana State University. President Claire recognized Kathy Chaika, one of six employees statewide to be honored as Classified Employee of the Year by the Board of Governors for California Community Colleges and the Foundation for California Community Colleges. The College of San Mateo women's softball team has qualified for the final four and will play for the state championship. College of San Mateo hosted the MAKE Hardware Conference which is associated with the prestigious Maker Faire.

Cañada College President Buckley invited Board members to attend the Athletics Hall of Fame Banquet on June 1 at the Elks Lodge in San Mateo. Among the inductees will be MLB Network commentator Harold Reynolds and student athletes Annika Nousiainen and Pierce Precht. The Dreamers Task Force and Bridging Hispanic Minds to Success Club hosted a two-day "One Community, Many Dreams" conference on April 29. The conference addressed the issue of immigration and immigrant student opportunity. More than 300 students participated in Majors Day, during which faculty and counseling staff met with students to discuss majors and programs. President Buckley invited everyone to attend the Cañada College commencement on May 25 at 10:00 a.m. The speaker will be Judge Cruz Reynoso, who has had a long career in human rights and civil rights. He received the Presidential Medal of Freedom in 2000. He was the first Latino to graduate from the University of California, Berkeley School of Law; the first Latino to serve on a California Appellate Court; and the first Latino to serve on the California Supreme Court.

Executive Vice Chancellor Keller said the Governor's May Revise was presented this week. It:

- Removed the proposal to cap the number of state subsidized units a student can accumulate at 90.
- Removed the proposal to base community college funding on the census of students at the end of the term.
- Removed the proposal to shift the responsibility for adult education from the K-12 system to community colleges.
- Maintained the proposal to improve online education.
- Included 1.5% COLA. This might affect the District to the extent that it is applied to categorical programs.
- Included 1.63% to restore access (growth). This will affect the District because the Board has directed that the District stay close to what it would have been had it not achieved basic aid status.
- Included buy-down of deferrals, which will make districts less dependent on issuing Tax and Revenue Anticipation Notes (TRANs). The District might still use TRANs because of the timing of the receipt of property taxes.

Executive Vice Chancellor Keller said that, while the statewide bond program is not included in the proposal, the District is interested in this as it still has projects to finish. Should bond funding become available from the state, it will be competitive and most funds will go to projects for classroom use and public safety.

Executive Vice Chancellor Keller said the District has been emphasizing its international education program. He said that housing and transportation are issues of difficulty for many students. As a result of Vice Chancellor Jing Luan's outreach efforts and building relationships, it is possible that foreign investors will provide money to convert existing hotel spaces to residences for students and provide shuttle services to the campuses. Chancellor Galatolo applauded what Vice Chancellor Luan has done. He said this would be an outstanding solution and a model for other colleges to follow.

District Academic Senate President Bennett said faculty are busy with self studies, hiring committees, other participatory governance committees and several retirements. She said the Academic Senate hosted discussions with faculty last month regarding Massive Open Online Courses (MOOCs), at which issues, concerns and possibilities were addressed. She said an article in *The Advocate* addresses some of these issues. She said there have been open conversations about how to best serve students while providing resources for faculty to be creative and innovative with technology. The discussions will continue in the Fall. President Bennett said the Performance Evaluation Taskforce has visited each of the campuses; Taskforce members have received valuable information from the completed surveys which contain 15 detailed questions. The Taskforce has created draft instrument tools which they will share with faculty on a flex day in the fall. They will also do beta testing with some faculty.

President Schwarz said she would be interested in hearing more about housing for international students. Chancellor Galatolo said it is now in the development stage and Vice Chancellor Luan will present an information report at a later time. Chancellor Galatolo said two sites have been studied. One is near Coyote Point and the other, more desirable, location is the Best Western Hotel near the Marina Market complex at Hillsdale Blvd. and Norfolk Street. Student Trustee Girard asked how the shuttle service to the campuses would work. Chancellor Galatolo said the Best Western currently has five shuttle buses and their objective is to have them circulating continuously.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None

NEW BUSINESS

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (13-5-1A)

It was moved by Trustee Miljanich and seconded by Student Trustee Girard to approve the actions in Board Report No. 13-5-1A. The motion carried, all members voting "Aye."

HEARING OF THE PUBLIC ON AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME), LOCAL 829, COUNCIL 57 INITIAL CONTRACT PROPOSAL TO THE DISTRICT AND DISTRICT'S INITIAL PROPOSAL TO AFSCME; ADOPTION OF AFSCME'S INITIAL PROPOSAL AND DISTRICT'S INITIAL PROPOSAL (13-5-2A)

President Schwarz announced that the attachment to the report (AFSCME's Initial Proposal) has been replaced with a corrected attachment. Copies of the attachment were provided to the Board and copies were available for others at the meeting. It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to conduct the public hearing. The motion carried, all members voting "Aye." President Schwarz called the public hearing open and asked for questions and/or comments from the public. Hearing none, President Schwarz declared the public hearing closed. It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to adopt AFSCME's Initial Proposal as distributed at this meeting and the Districts' Initial Proposal. The motion carried, all members voting "Aye."

HEARING OF THE PUBLIC ON AMERICAN FEDERATION OF TEACHERS (AFT), LOCAL 1493 INITIAL CONTRACT PROPOSAL TO THE DISTRICT AND DISTRICT'S INITIAL PROPOSAL TO AFT; ADOPTION OF AFT'S INITIAL PROPOSAL AND DISTRICT'S INITIAL PROPOSAL (13-5-3A)

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to conduct the public hearing. The motion carried, all members voting "Aye." President Schwarz called the public hearing open and asked for questions and/or comments from the public. Hearing none, President Schwarz declared the public hearing closed. It was moved by Student Trustee Girard and seconded by Trustee Miljanich to adopt the Initial Proposals as detailed in the report. The motion carried, all members voting "Aye."

HEARING OF THE PUBLIC ON CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION (CSEA), CHAPTER 33 INITIAL CONTRACT PROPOSAL TO THE DISTRICT AND ADOPTION OF CSEA'S INITIAL PROPOSAL (13-5-4A)

President Schwarz announced that the attachment to the report (CSEA's Initial Proposal) has been replaced with a corrected attachment. Copies of the attachment were provided to the Board and copies were available for others at the meeting. The date of a meeting referred to in the first paragraph of the report has also been corrected. It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to conduct the public hearing. The motion carried, all members voting "Aye." President Schwarz called the public hearing open and asked for questions and/or comments from the

public. Hearing none, President Schwarz declared the public hearing closed. It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to adopt CSEA's Initial Proposal as distributed at this meeting. The motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA

President Schwarz said the consent agenda consists of Board Reports 13-5-1CA, Renewal of Agreement with American Institute for Foreign Study (AIFS), Fall 2013 and 13-5-2CA, Approval of Curricular Additions and Deletions – Cañada College and College of San Mateo. It was moved by Trustee Miljanich and seconded by Student Trustee Girard to approve the items on the consent agenda. The motion carried, all members voting "Aye."

Other Recommendations

APPROVAL OF MODIFICATION TO COLLEGE OF SAN MATEO'S DIVERSITY STATEMENT (13-5-1B)

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to approve the modification. The motion carried, all members voting "Aye."

CONSIDERATION OF SERVICE AWARD FOR 2012-13 STUDENT TRUSTEE (13-5-102B)

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to approve the service award as detailed in the report. The motion carried, all members voting "Aye." Trustee Miljanich said the award is well-deserved. She said she appreciates Student Trustee Girard bringing issues to the Board on behalf of students. She noted that he was always prepared for Board meetings. Trustee Mandelkern said Student Trustee Girard brought enthusiasm and interest to his position and did a good job representing students. He noted that Student Trustee Girard had perfect attendance at Board meetings. President Schwarz thanked Student Trustee Girard for his contributions and mentioned that he attended many social events at the Colleges and District. President Schwarz presented a plaque to Student Trustee Girard in appreciation for his service.

APPROVAL OF ADDITIONS AND REVISIONS TO BOARD POLICIES: 1.05, STUDENT TRUSTEE; 1.40 MEETINGS OF THE BOARD; 2.29, SEXUAL ASSAULT EDUCATION, PREVENTION, AND REPORTING; 2.35, USE OF DISTRICT COMMUNICATIONS SYSTEMS; 6.21, GRADING AND ACADEMIC RECORD SYMBOLS; 7.21, SPEECH: TIME, PLACE AND MANNER; AND 8.13, PUBLIC SAFETY ON DISTRICT PROPERTY (13-5-104B)

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to approve the additions and revisions as detailed in the report. Trustee Mandelkern asked if it would be possible to defer discussion and approval of Policy 7.21 until Trustee Holober is present and has a chance to contribute to the discussion. All Board members agreed to defer action on this policy. With this change, the motion carried, all members voting "Aye."

APPROVAL TO ENTER INTO COOPERATIVE AGREEMENT BETWEEN LOCUSPOINT NETWORKS AND KCSM-TV (13-5-105B)

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to approve the agreement.

Tracy Rosenberg, Executive Director of Oakland-based Media Alliance and resident of Albany, said the Board seems to be indicating that they will choose to liquidate the non-commercial broadcast license entrusted to the District in 1964. She said the Board is doing so as if, to some degree, there is not a problem with media consolidation and intense commercialization of media with propaganda. She said the District is also choosing to provide censored information, as the documentation presented to her and to the *Palo Alto Daily Post* in response to a public records request was sent with large black cross-outs. Ms. Rosenberg said she is asking the Board to make better choices: release uncensored information to the public; have a robust public comment process at a center that is transit accessible on the Peninsula; announce on the television and radio stations owned by the District when and where such a forum will occur; and explain and justify what criteria are being used for turning down multiple bidders who have committed to carry out the non-commercial broadcast license charter. She said the District received a bid for \$6.8 million and she has been told that the bidder was not given a chance to match the bid from the Blackstone Group. She said this does not convince her that the Board is making the best possible choices.

Henry Tenenbaum, a resident of San Mateo, asked to see the agreement upon which the Board will be voting. He said it is difficult for the public to comment on something they have not seen and said this shows a lack of transparency. President Schwarz said there have been many presentations on the topic of KCSM-TV over many months. She said negotiations are finally at a point at which information can be shared with the public without harming what staff has been

working on. She said the public is being given the courtesy to make comments at this time. Mr. Tenenbaum asked if there are stipulations in the Blackstone contract to address a delay or cancellation of the spectrum auction. President Schwarz said this and other questions will be answered during the staff presentation. Mr. Tenenbaum said he is worried that the Board has chosen to go for the cash instead of trying to find a middle way. He stated again that he believes the Board has shown a lack of transparency by taking public comments before the public has the information needed to comment intelligently.

Patrick Reilly, legal counsel for Media Stewards Project, said he looks to the Board for assurance that the actions of the Board in this matter are in full compliance with the California Public Records Act.

Ravi Kapur said he is a journalist. He is a lifelong resident of San Mateo County and he and family members have taken classes at the District's colleges. Mr. Kapur said he owns television station KAXT in San Jose, runs a station in Chicago and has a national television network. He said he has been personally approached by LocusPoint/Blackstone Group. Mr. Kapur said he put in a bid during the first RFP process, suggesting that the KCSM-TV license be retained and that he run the channels out of his station for a nominal fee; he said this would have provided a cost savings of \$900,000 per year. He said this was rejected because at that time the Board was looking for a cash payment. Mr. Kapur said the digital spectrum that the District possesses is worth much more than \$6 million. He said he is concerned that staff does not understand the full context and he believes the real problem is mismanagement of the station. He said he believes there has been a lack of transparency. He urged the Board to reevaluate divesting itself of an asset that is worth tens of millions of dollars.

Teeka James said she has taught English at College of San Mateo for 16 years and is President of the local faculty union. On behalf of the San Mateo County Community College Federation of Teachers, AFT Local 1493, AFL-CIO, Professor James asked the Board to postpone its decision in order to provide a 30-day public comment period. She said independent public television stations are becoming an endangered species due to steep declines in public funding. Yet, it is only public television stations like KCSM-TV that can successfully represent the interests of the community at large. Professor James said Local 1493 urged the Board to reconsider its decision this evening. She said they are concerned about the consequences of this sale for the future of non-profit, non-commercial television throughout the Bay Area. She said this kind of public good needs to be preserved and defended.

Jan Roecks, Interim Dean of Business, Workforce, and Athletics at Cañada College, presented a staff report. She said KCSM-TV has been on the College of San Mateo campus for almost 50 years. In June 2011, after several years of discussions at public Board meetings, the Board decided that the station could no longer be funded by the general fund. The process to follow the Board's direction has taken almost two years and extensive work by a team that includes Ms. Roecks, KCSM General Manager Marilyn Lawrence, County Counsel Eugene Whitlock, and FCC attorney Lawrence Miller.

Ms. Roecks said that in July 2011, the team crafted a Request for Proposal (RFP) with the objective of looking for qualified bidders who could meet the FCC's requirements to hold a non-commercial license. The RFP was released in December 2011 and bids were received in February 2012. In April 2012, the Board was informed that there were two finalists and the team hoped that one would prove successful in completing a transaction. Negotiations with the two finalists took place over the summer. By fall 2012, it was clear that neither could meet the objectives of the bid and the team recommended that the Board reject all bids. The Board followed the recommendation.

Ms. Roecks said that in November 2012, the team informed the Board that they would like to issue a new RFP. The RFP would solicit bidders to hold a non-commercial license as defined in the initial RFP or to partner with the District in the upcoming spectrum auction. She said that between the first and second RFPs, it became obvious that a spectrum auction would be held some time in the near future, although there were no guarantees. The second RFP was released in December 2012 and bids were due in February 2013. The District received four bids:

1. Oriental Culture and Media Center of Southern California. This bidder offered to purchase the station for \$1.00. Staff did not believe this was a reasonable price and had concerns that the bidder could not meet localism and ownership requirements.
2. Minority Television Project, Inc. This non-profit corporation proposed to purchase the station with funds from traditional public television sources. This traditional funding has not been successful for KCSM-TV for the last ten years. The corporation offered \$400,000 at signing, \$1 million after the first year, and the final payment

within two years to total \$4 million. Because of the lack of identified funding for the Minority Television Project, the team determined it was not in the best interest of the District to pursue this bid.

3. **Public TV Financing.** This company submitted a bid in response to the first RFP; the bid was rejected because they could not meet local representation requirements. In its second bid, the company offered to subsidize existing operations for \$800,000 per year until KCSM-TV entered into a spectrum sale with them. They also offered to tender an upfront payment of \$800,000 to show good faith. However, this money would be paid back to them once a reverse auction bid was allocated; therefore, this essentially would be a loan. The proposal suggested that the District enter into a sharing arrangement with a neighboring broadcast licensee, which would allow KCSM-TV's spectrum assets to be offered at an FCC spectrum auction. Finding a suitable partner would be the responsibility of the District, which the team knew could be problematic. Any auction proceeds would be split three ways – the District, the unidentified partner, and the payback to Public TV Financing. This offer presented a number of financial uncertainties and the team believed it would not be in the best interest of the District to pursue the offer.
4. **LocusPoint Networks.** This is a local company with local board members. The proposal offered to provide funding to subsidize operations of the station for up to four years until a spectrum auction occurs. In exchange, the District will provide a percentage of the proceeds of a spectrum auction, should an auction occur. The District would receive \$900,000 per year for up to four years to continue to operate the station; this figure is based on the costs of operating the station and would ensure that no general fund monies would be needed. The money would not have to be paid back unless there was willful misconduct or gross negligence. LocusPoint would receive 36.5% of auction proceeds and the District would retain 63.5% of the proceeds. LocusPoint has significant experience and expertise in the management of spectrum assets and would assist the District in maximizing the value of the asset. The team believes the spectrum auction is likely to occur in 2015. However, the agreement addresses differing scenarios such as delays or cancellation of an auction and the District's recourse if there is a delay in payments from LocusPoint.

Ms. Roecks said the team has spent many hours over several months consulting with attorneys to make sure the District's interests are protected fully and they believe the proposed agreement with LocusPoint Networks is the best and most valuable option for the District.

Trustee Miljanich said this is a very difficult situation. She said the Board has been discussing KCSM-TV for a number of years. She said the Board has a responsibility to look at what is in the best interest of students as well as the community at large. She said she believes the District has done due diligence and has tried to come up with other solutions that were not successful. Trustee Miljanich said she is prepared to support the recommendation.

Trustee Mandelkern thanked the public for their comments, including Ms. Rosenberg and Mr. Tenenbaum who have addressed the Board at previous meetings. He said the Board has been discussing this issue at public meetings for more than three years. At some of those meetings, there have been no public comments and at some there has been extensive public input. Regarding the issue of transparency, Trustee Mandelkern said the Board has tried to provide as much disclosure as possible. He said that the Board has a fiduciary responsibility, part of which is to make sure the District gets the fair market value for this asset. Given this responsibility and the constraints the Board has been working under, Trustee Mandelkern said every detail of every contract and proposal cannot be made public before negotiations are completed because to do so would harm the District's negotiating posture. He said the Board welcomes input from the public, but it is the Board's responsibility as elected representatives of the citizens of San Mateo County to make decisions.

Trustee Mandelkern said this difficult process has been conducted in the context of budget cuts and pressures that affect the District's primary mission of educating students in San Mateo County. He said the station was developed in the context of the mission to educate students and the Board must consider whether it is the best use of time and resources to continue to support the station as part of that educational mission. He said he shares many of the concerns that have been expressed eloquently regarding the commercialization of public media and the consolidation of media. He noted, however, that the Board does not make the rules but must live within them. Trustee Mandelkern said the District is dealing with a broadcast entity in the midst of a very tumultuous and complicated time for broadcast entities.

Trustee Mandelkern said that, while he appreciates the many comments received from residents of Berkeley, this is not his primary concern. He said the District's primary mission is to serve the residents of San Mateo County. He said that, while the station may be viewed as a Bay Area asset, it is in fact the District's asset and the Board must do what is best for its constituents. He said the District's mission is to educate students, not to fund public media or to try to revamp the

broadcast of spectrum the way the Board may wish it were rather than the way it is. Trustee Mandelkern said that, as expressed at many meetings over many years, the District continues to have approximately \$1 million in losses every year at KCSM-TV. He said this Board has been clear that the District cannot afford to continue this financial subsidization. He said the Board has looked at many different options brought by staff and station management for programming and partnerships. He said the Board has heard many requests to do something but few specific suggestions as to what the District might do, and who to do it with, that would present a viable option to ensure the financial and programming viability of the station.

Trustee Mandelkern said he disagrees that there has been a failure of management. He said management has worked creatively and broadly. He said staff have spent months working with bidders who either did not have the financial wherewithal to complete a transaction or could not meet FCC requirements. Trustee Mandelkern said the Board has concluded that District has done everything possible and has not found another, more viable option.

Trustee Mandelkern said the recommendation to enter into an agreement with LocusPoint keeps the station on the air until a spectrum auction might occur; continues the operations with KCSM-TV staff as a public broadcasting entity; and does not preclude the District's ability to come up with a better plan or strategy if something else occurs, thus protecting the District from financial risk. He said it is important to make sure that the District does not undervalue the asset in any transaction and he believes that keeping a large percentage of the potential proceeds protects the District. Trustee Mandelkern said a critical question is whether one believes the value of the spectrum will be greater or less than \$10 million. If it will be greater than \$10 million, as many predict it will be, it will be a very favorable deal for the District compared with the alternatives and will protect the financial interests of the residents of San Mateo County who have generously funded the District since it was formed more than 90 years ago. By discontinuing subsidies for KCSM-TV from the general fund, it will also allow the District to focus on its principal mission of educating students. Trustee Mandelkern said he understands that the District has not aired classes on KCSM-TV for five years. There are currently fewer than 20 FTE students take the broadcasting class at a cost of \$1 million per year in general fund subsidy, or approximately \$75,000 per student per year. Community colleges are funded by the state at a level of less than \$5,000 per student per year.

Trustee Mandelkern said the Board has the responsibility to do the best it can for the greatest number of students in San Mateo County. He said he believes the Board must look at the option that provides the greatest return for the District and the best outcome in terms of programming availability. Trustee Mandelkern said the Board could consider simply letting the station go dark and surrendering the license; however, he does not believe this is a viable alternative because it would be a failure of the Board's responsibility to the residents of the County.

Regarding the Blackstone Group, Trustee Mandelkern said this is a publicly held company which is involved in many businesses, including Hilton Hotels, Michael's Framing and Art Supplies, Moldavian Airlines and many other businesses. He said Blackstone is a capital provider and its business is to make money. He said broadcasting is a business that requires money and, when one needs money, one goes to the people who have money. He said that in the past, staff has spent months negotiating with bidders who in the end did not have the financial wherewithal. He said Blackstone is willing to finance a transaction that he believes brings great benefits to the District. For this reason, he believes that approving the recommendation is the right thing to do.

President Schwarz said it was very painful for the Board to decide that, because of ongoing deficits, it could no longer afford to financially subsidize KCSM-TV. She said KCSM's general manager has presented different proposals and has tried everything she could think of, including employee cutbacks. Regarding transparency, President Schwarz said the Board has discussed this issue at many meetings and the public has had a chance to comment over a long period of time. She said the specifics of the contract were not publicized because negotiations were going on until the last minute. She said there now seems to be concern about who the District will agree to do business with. President Schwarz said staff has worked diligently over many months and has given the Board confidence that the recommendation will be best for the District.

Ms. Rosenberg said it is likely that the National Association of Broadcasters will take the FCC to court regarding the parameters of the spectrum auction. She said the District is accepting an offer for \$3.6 million but rejected an offer for \$5.8 million six months ago. She said the charges regarding lack of transparency and fundamental dishonesty are not out of line. She said she was told that Trustee Mandelkern told a *Palo Alto Daily Post* reporter 72 hours ago that he had not seen the amounts of the bids; she said it is insane to make a multimillion dollar decision without knowing the details.

Ms. Rosenberg said the characterization of public television financing in the board report is factually wrong. She said the assertion that it is impossible to find a partner is also untrue, as a partner is readily available in PenTV. She said this bidder would continue to operate the station beyond a spectrum auction. She said this is a local and fellow not-for-profit broadcasting partner. Ms. Rosenberg said the asset belongs to the public and there should be a 30 to 60 day public comment period.

Trustee Mandelkern said Ms. Rosenberg's assertion regarding his statement to the *Daily Post* reporter is simply untrue. He said the reporter clearly stated in her article, published in Tuesday's edition, that Trustee Mandelkern said he had received the contracts with the financial information and had reviewed them. Trustee Mandelkern said the fact that the reporter stated this in print indicates that this is what she heard. He said he is offended when members of the public accuse the Board of not doing their job. He said Board members have considered the issue of KCSM-TV very seriously over the past several years and all Board members would like to see KCSM-TV live on forever. However, they are faced with financial reality and are trying to make the best of a bad situation. Trustee Mandelkern said inflammatory comments that attack Board members do not help in the decision making process.

President Schwarz said she always appreciates hearing from the public, whether they agree or disagree with her and other Board members. She said that, as an elected trustee of the District, she is confident that administrative staff have worked with experts and have done due diligence and she is prepared to accept their recommendation.

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

INFORMATION REPORTS

DISTRICT FINANCIAL SUMMARY FOR THE QUARTER ENDING MARCH 31, 2013 (13-5-1C)

President Schwarz said the attachments were not included in the board report. They have been provided to the Board and are available to others at the meeting. The Board accepted the report. There were no questions or comments.

COMMUNICATIONS

President Schwarz said that since the last regular meeting, the Board received 22 emails regarding KCSM-TV; each has been answered by staff on behalf of the Board. The Board also received email correspondence from two individuals regarding public records requests and several invitations to end-of-year events at the Colleges.

STATEMENTS FROM BOARD MEMBERS

Trustee Miljanich wished Student Trustee Girard good luck in his future endeavors.

Trustee Mandelkern said his thoughts are with Trustee Holoher and his family with the sudden and shocking passing of Nadia Holoher. He said the entire Holoher family has been committed to public service and the passing of Mrs. Holoher is a great loss to Millbrae, San Mateo County and the country.

Student Trustee Girard added his condolences to the Holoher family. He said he will be active next year in the Associated Students and will continue to attend meetings. He attended the General Assembly of the Student Senate for California Community Colleges and other events at the campuses.

President Schwarz wished Student Trustee Girard well. She said she is saddened that any member of the public feels that the Board is not transparent. She said she prides herself on being open to the public, listening to their concerns and following through as appropriate. She said the Board is committed to transparency and it is upsetting that people from outside the District area have attacked the Board in this regard.

President Schwarz said words cannot express the deep sadness she feels for Trustee Holoher and his sons.

President Schwarz said she attended the retirement reception for Helen Hausman. She also attended a retirement party for Susan Estes, Vice President of Instruction at College of San Mateo, and commented that Vice President Estes was gracious in her acknowledgements. President Schwarz attended an education meeting with Senator Jerry Hill which focused primarily on K-12 issues. She enjoyed a lunch with the U.S. Ambassador to Fiji at Skyline College.

RECESS TO CLOSED SESSION

President Schwarz announced that during Closed Session, the Board will consider the personnel items listed as 1A, 1B and 1C on the printed agenda. The Board will also hold a conference with agency labor negotiator Harry Joel; the employee organizations are AFSCME, AFT and CSEA.

President Schwarz said the next scheduled meeting of the Board will be a Special Meeting on June 5 at 6:00 p.m. in the District Board Room at a time to be determined; interviews of candidates to fill the Board vacancy will be held at this meeting, which is open to the public. The June Study Session will be held on June 12.

The Board recessed to Closed Session at 8:45 p.m. and reconvened to Open Session at 9:50 p.m.

CLOSED SESSION ACTIONS TAKEN

President Schwarz reported that at the Closed Session just concluded, the Board considered the personnel items listed on the printed agenda and voted 3-0 to approve the items listed as 1A, 1B and 1C.

ADJOURNMENT

It was moved by Trustee Miljanich and seconded by Trustee Mandelkern to adjourn the meeting in memory of Nadia Holober. The motion carried, all members voting "Aye." The meeting was adjourned at 9:55 p.m.

Submitted by

Ron Galatolo, Secretary

Approved and entered into the proceedings of the June 17, 2013 meeting.