

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
January 22, 2014, San Mateo, CA**

The meeting was called to order at 6:03 p.m.

Board Members Present: President Karen Schwarz, Vice President Patricia Miljanich, Trustees Richard Holober, Dave Mandelkern and Tom Mohr, Student Trustee David Zay Latt

Others Present: Chancellor Ron Galatolo, Deputy 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

DISCUSSION OF THE ORDER OF THE AGENDA

President Schwarz said that in order to accommodate the auditor, it was requested that items 14-1-103B through 14-1-106B be placed first on the agenda. There were no objections from the Board.

RECEIPT AND ACCEPTANCE OF THE 2012-13 DISTRICT AUDIT REPORT (14-1-103B)

It was moved by Trustee Holober and seconded by Student Trustee Latt to approve the audit as presented. Auditor Terri Montgomery of Vavrinek, Trine, Day & Co., LLP, said the audit covers the period through June 30, 2013. She said the auditor issued an unqualified opinion that the District's financials are fairly stated. There were no proposed audit adjustments and no findings. There were two comments and suggestions regarding arranged hours and positive attendance and weekly contact hours.

Ms. Montgomery said there was a new accounting standard this year, GASB Statement No. 62, which involves capitalizing a portion of the interest on bonds as part of historical costs. Accordingly, management looked at interest paid over time and estimated how much of that was related to particular construction projects, resulting in a restatement of past years in the amount of \$38 million. After this discussion, the motion carried, all members voting "Aye."

RECEIPT AND ACCEPTANCE OF THE 2012-13 KCSM AUDIT REPORT (14-1-104B)

It was moved by Vice President Miljanich and seconded by Trustee Holober to approve the audit as presented. Ms. Montgomery said the auditor issued an unqualified opinion for both KCSM-FM and KCSM-TV that the financial statements are fairly stated. The TV and FM reports are provided separately as required by the Corporation for Public Broadcasting and grants. In response to a question from Trustee Mandelkern, Executive Vice Chancellor Blackwood said there were no payments from LocusPoint Networks during this audit period; payments will be included in the audit next year. After this discussion, the motion carried, all members voting "Aye."

RECEIPT AND ACCEPTANCE OF THE 2012-13 GENERAL OBLIGATION BOND FINANCIAL AND PERFORMANCE AUDITS (14-1-105B)

It was moved by Trustee Holober and seconded by Vice President Miljanich to approve the audits as presented. Ms. Montgomery said the auditor issued an unqualified opinion that the financial statements are fairly stated. There were no findings or adjustments. Ms. Montgomery said the Performance Audit is required to verify that expenditures were made for authorized bond projects as approved by voters. The conclusion was that expenditures were made for authorized bond projects. After this discussion, the motion carried, all members voting "Aye."

RECEIPT AND ACCEPTANCE OF THE 2012-13 RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST AUDIT REPORT (14-1-106B)

It was moved by Vice President Miljanich and seconded by Trustee Mandelkern to accept the audit report as presented. Ms. Montgomery said the purpose of the audit is to verify the financial statements in the trust only. She said it is the unqualified opinion of the auditors that the financial statements are fairly stated. Trustee Holober asked if the Board of Trustees is in charge of this fund or if the Retirement Board of Authority should receive the audit report. Executive Vice Chancellor Blackwood said the Retirement Board of Authority also receives the report. Chancellor Galatolo said he believes it is a good idea to ask for approval by the Board of Trustees as well. Trustee Mohr asked if funds that are invested in the County are included; Executive Vice Chancellor Blackwood said they are not. Trustee Mandelkern commended the trust management for their progress in addressing unfunded liability. After this discussion, the motion carried, all members present voting "Aye."

MINUTES

It was moved by Vice President Miljanich and seconded by Trustee Mandelkern to approve the minutes of the study session of January 8, 2014. The motion carried, all members voting "Aye."

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

Chancellor Galatolo said the Governor's proposed budget provides an 11% increase for community colleges. He said that, although the District lost the Friends of the College of San Mateo Gardens case at the Appellate Court level, the California Supreme Court has agreed to hear the case.

Skyline College President Stanback Stroud said the recent X-Treme Saturday was a successful event; she thanked Trustee Mohr for his presence. At the final 2013 meeting of the Skyline College Academic Senate, Vice President of Instruction Sarah Perkins was honored for her creativity, innovations and new initiatives. President Stanback Stroud welcomed Skyline College's new Dean of Counseling, Maria Angélica Garcia. Students in the Skyline College Enactus Club participated in a competition for social entrepreneurs as part of a business course. A mother and son team, Amy and Judah Darwin, won a \$1,000 prize for their project, The Torch Fund. The goal of their project is to provide opportunity for victims of human trafficking by providing private education.

College of San Mateo President Claire said a recording from last summer's Jazz on the Hill is being distributed to Board members. He acknowledged Vice Chancellor Tom Bauer for sponsorship of the event by the San Mateo Athletic Club. Classified staff members Deborah Laulusa and Finausina Tovo coordinated an event at which Pacific Islander students at the College were invited to hear from Pacific Islander leaders in the community, including a San Mateo police officer and successful business leaders and athletes. President Claire said Julian Edelman, former football player at College of San Mateo, has had a breakout year with the New England Patriots and is now an unrestricted free agent. University of Alabama head football coach, Nick Saban, was on campus today to sign a player and offer a full scholarship. Chancellor Galatolo added that former College of San Mateo baseball player Scott Feldman has signed a three-year deal with the Houston Astros for a reported \$30 million.

Cañada College President Buckley said he and a number of staff of the Math Jam Program attended a Board of Governors meeting in Sacramento on January 14, at which the program received the Exemplary Program Award from the Academic Senate for California Community Colleges. The College received a plaque and a \$4,000 cash award. Cañada College Professors Ronda Chaney, Sarah Harmon and Doug Hirzel have received the prestigious John and Susanne Roueche Excellence Award from the League for Innovation in the Community College. They were chairs of the Cañada College accreditation self study team. President Buckley said enrollment is down slightly at this time but headcount is remaining the same. Math/Science/Technology is now the largest division on campus for the first time, due partly to the emphasis on STEM programs and programs such as Math Jam.

Deputy Chancellor Keller said the majority of the Governor's proposed 11% increase for community colleges will go to categorical programs; the District receives a portion of these funds even though it is now community-supported.

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 (14-1-2A)**

President Schwarz said there is a request to remove the position of Visual Communications Coordinator at Cañada College from consideration. It was moved by Vice President Miljanich and seconded by Trustee Holober to approve the actions in the amended report. The motion carried, all members voting "Aye."

APPROVAL OF REVISION TO MISCELLANEOUS PAY RATES SALARY SCHEDULE (14-1-3A)

It was moved by Trustee Holober and seconded by Student Trustee Latt to approve the revisions as detailed in the report. The motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA

President Schwarz said the Consent Agenda consists of Board Reports 14-1-1CA through 14-1-9CA. Trustee Holober asked that item 14-2-9CA be removed from the Consent Agenda for discussion. It was moved by Vice President Miljanich and seconded by Student Trustee Latt to approve items 14-2-1CA through 14-2-8CA. The motion carried, all members voting "Aye."

APPROVAL OF DISTRICT ORGANIZATIONAL MEMBERSHIPS, 2013-14 (14-2-9CA)

It was moved by Vice President Miljanich and seconded by Trustee Mandelkern to approve the memberships as listed in the report. Trustee Holober said the list is impressive and he hopes that the District is participating in the various organizations, such as the Chamber of Commerce. Chancellor Galatolo said he sits on the Board of the Redwood City/San Mateo County Chamber and President Claire is involved in the San Mateo Chamber. He said many District professionals are involved in other associations. Trustee Mandelkern asked if the policy allows the Board to review memberships or if any renew automatically. Executive Vice Chancellor Blackwood said no memberships renew automatically; they are reviewed and must be renewed each year. After this discussion, the motion carried, all members voting "Aye."

Other Recommendations

NOMINATIONS FOR MEMBERSHIP ON THE CALIFORNIA COMMUNITY COLLEGE TRUSTEES (CCCT) BOARD, 2014 (14-1-1B)

It was moved by Vice President Miljanich and seconded by Trustee Holober to discuss and approve any nominations. President Schwarz asked if there were nominations. There were none.

BOARD MEMBER COMPENSATION (13-1-106B)

President Schwarz said that according to law, the Board is allowed to adopt a 5% increase in compensation on an annual basis. She said the Board approved a 5% increase last year and did not take an increase for the previous four years. It was moved by Vice President Miljanich and seconded by Trustee Holober to adopt a 5% increase.

Trustee Mandelkern asked what the average compensation increase was for faculty, staff and administrators this year. Chancellor Galatolo said it will not be known until June 30 because it is tied to the change in assessed valuation. Vice Chancellor Harry Joel said the increase for last year was 2.81%. Trustee Mandelkern said he believes it would be fair and equitable for the Board to accept the same percentage. He said that would send an important signal that the Board does not expect a higher increase than other employees.

Trustee Holober said that the 5% increase would be approximately \$2,000 for the entire Board. He said that the Board may have made errors when they voted in previous years to forego an increase; they are now digging out of a hole compared to other employees. He said that in the future, the Board might want to investigate whether there is a way to accept an increase but not implement it. For consideration tonight, Trustee Holober said that step and column increases for other employees are included in the budget as well as COLA increases. Therefore, he believes that a 5% increase would put Board members in line with the average employee. Trustee Holober also noted that for several years – from the 1980's into the 2000's – trustees' stipends were frozen at the state level and some members of the current Board were affected.

Trustee Mandelkern suggested that the Board consider an increase in June or July rather than January so that the increase for other employees can be included in the discussion. Trustee Mohr said he does not see merit in comparing increases for the Board with those for other employees because the roles and responsibilities are totally different. He said that any increase should be looked at as a way to cover expenses such as mileage, attendance at events, etc.

President Schwarz said the law allows the Board to accept a 5% increase to the very small stipend provided to Board members and she is in favor of accepting it.

Trustee Mandelkern said he agrees that the rationale for serving on the Board is different; it is to further the success of the institution and see students do well. He said that he does not question the commitment of his colleagues, but he will not vote in favor of an increase.

After this discussion, the motion to approve a 5% increase carried, with Trustee Mandelkern voting "No" and the remainder of Board members voting "Aye."

INFORMATION REPORTS

2014 CONTRACTOR PREQUALIFICATION UPDATE (14-1-2C)

President Schwarz said the Board appreciates the information provided in the report. José Nuñez, Vice Chancellor of Facilities Planning, Maintenance and Operations, acknowledged Sue Harrison, Yanely Pulido, Jessica Pulido and Ludmila Prisecar for their work in preparing the report.

REVIEW AND DISCUSSION OF AGENDA FOR BOARD RETREAT OF FEBRUARY 1, 2014 (14-1-3C)

President Schwarz said a proposed retreat agenda was included in the packet; it is a draft for Board members to discuss and amend if desired. Trustee Holober said he would like to discuss lifelong learning or enrichment programs that were eliminated or reduced during funding shortfalls. Chancellor Galatolo said this will be part of the discussion on revised core values which is on the agenda. It is also integral to the initial discussion of proposed Board goals.

Trustee Mohr said he would like to examine data on student success and completion as part of the Board goals. Chancellor Galatolo said that the state measures success in a traditional manner; however, he believes the Board should measure how students are doing with regard to their personal goals in coming to the District. He said there are different issues in each district and different community needs. Trustee Mohr said he also would like to discuss how the District is reaching out to and engaging the more vulnerable members of the community. Chancellor Galatolo said this is integrated into the proposed revised core values and goals. He added that the proposed core values and proposed goals are documents that the Board will review and revise as they see fit.

Trustee Mandelkern said that, in relation to the item on future funding needs, he would like to know how the remaining balance of bond funds has been allocated. He also would like to solicit Board members' suggestions for study session topics for 2014. He said he would be interested in discussing career counseling/outplacement and the District's position vis-à-vis for-profit colleges. Chancellor Galatolo said this item will be added to the agenda. He said staff maintains a list of potential study session topics suggested by Board members. The list will be brought to the retreat for Board member input and prioritization.

Trustee Mandelkern said he believes the retreat agenda is Board-driven and he asked if the item on the proposed new project at Cañada College was suggested by a Board member. He said this item seems like a topic of general interest to be brought to a regular meeting. He said the purpose of the retreat should be to address strategic matters that span across the year. Chancellor Galatolo said this particular item is connected to the item on future funding needs; if the Board likes the idea of the project, it needs to discuss potential resources to make it a possibility. He said the District is looking at ways to generate revenue, as the San Mateo Athletic Club (SMAC) does. The Cañada College project could be self-supporting and, therefore, is different than other needs. Trustee Mohr said SMAC is an asset to people in the community and the Board should think about offering the same asset to others. He said he believes it is appropriate to examine the potential at the retreat. Trustee Holober said a discussion should include an assessment of the market and what might be done differently than was done at SMAC. Chancellor Galatolo said the market has been assessed and there is greater interest in the Cañada College area than there was in the area served by SMAC. He said a preliminary design is based on lessons learned from SMAC. He said the purpose in bringing preliminary drawings is to obtain direction from the Board about whether to do further investigation and address the item further in the future if directed to do so. President Schwarz said this project is a new idea and could be discussed at a separate time; however, she understands that it fits into the discussion of future funding needs and it might be appropriate to consider at the retreat so that the Board can provide direction.

Regarding the agenda being Board-driven, Chancellor Galatolo said he believes it is appropriate for staff to bring items of interest to the retreat that are timely and important. Vice President Miljanich said similar items have been brought to retreats in the past. She said she believes it is appropriate for the Chancellor to bring ideas that the Board may want to consider. Trustee Mohr said he believes the retreat should allow exploration of ideas based on the experiences of Board members and District constituencies. He said the retreat provides an opportunity to examine new visions or the extension or different stage of an existing vision. He said some of the time will be spent brainstorming and he believes that nothing should be placed outside the box; otherwise, the Board will not be thinking about all of the possibilities that the District has at its disposal.

Vice President Miljanich suggested that the discussion of the Brown Act could require less time than allocated, with a focus on specific questions from the Board. Chancellor Galatolo asked Board members to submit questions which he will forward to Attorney Greg Dannis who is making the presentation.

COMMUNICATIONS

President Schwarz said she received a thank you card from Zhengping Zhang, a student intern in the General Accounting Department at the District Office. Ms. Zhang reported that the internship program has enabled her gain invaluable experience. President Schwarz said she will respond to Ms. Zhang.

STATEMENTS FROM BOARD MEMBERS

Student Trustee Latt said the Associated Students at the Colleges have held or will soon hold retreats to set goals. They have also been busy planning welcome week activities.

Trustee Mohr said X-Treme Saturday at Skyline College was enjoyable and he commended Dean Garcia and staff. He said he was impressed with the outstanding way in which counselors interacted with students. Trustee Mohr recognized College of San Mateo English Professor Katie Bliss for initiating a transition program for young people in Juvenile Hall, providing systematic and ongoing support from faculty and staff to help them stay on target and succeed in college. He also recognized the Center for Innovation and Excellence in Teaching and Learning (CIETL) at Cañada College. He said staff development is very important and this program is flourishing. Trustee Mohr said he would enjoy spending time on the campuses and would appreciate hearing about events and activities.

Trustee Mandelkern said he was at College of San Mateo and was pleased to see that the electric charging stations were fully occupied. He thanked President Claire for hosting him for a walk around campus and lunch. Trustee Mandelkern suggested that Foundation staff be reminded to approach alumni such as Julian Edelman and Scott Feldman who gained from being in the District.

Trustee Holober said legislation is pending regarding for-profit college loan defaults. He said this information is important for prospective students to know and he will bring more information if the Board is interested. Board members expressed interest in receiving additional information.

President Schwarz said she and Vice President Miljanich are the official representatives of the Board to the Foundation. She said Trustee Mohr graciously offered to step aside as a Foundation Board member in order to comply with Brown Act requirements. President Schwarz asked if there is interest in preparing an RFP for auditors. Executive Vice Chancellor Blackwood said an RFP is always released when a contract is expiring.

President Schwarz asked that this meeting be adjourned in memory of Lakas Parreñas Shimizu, an eight-year-old boy who passed away recently. Lakas lived in Hillsborough with his parents and brother. He was enrolled in the swim lesson program at SMAC which he enjoyed very much. Because of this connection, his family held a memorial service in the College Center at College of San Mateo. The family expressed thanks for the use of facility.

RECESS TO CLOSED SESSION

President Schwarz announced that during Closed Session, the Board will (1) consider the personnel items listed as 1A, 1B and 1C on the printed agenda and (2) hold a conference with legal counsel regarding one case of existing litigation as listed on the printed agenda.

The Board recessed to Closed Session at 8:00 p.m. and reconvened to Open Session at 9:30 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 4-0-1 (one abstention) to approve item 1A(1). The Board voted 5-0 to approve all other items listed as 1A, 1B and 1C.

ADJOURNMENT

It was moved by Trustee Holober and seconded by Vice President Miljanich to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 9:35 p.m. in memory of Lakas Parreñas Shimizu.

Submitted by

Ron Galatolo, Secretary

Approved and entered into the proceedings of the February 26, 2014 meeting.

Patricia Miljanich, Vice President-Clerk