



MT. SAN ANTONIO COLLEGE

SPECIAL MEETING OF THE BOARD OF TRUSTEES

Friday, March 2, 2012
Saturday, March 3, 2012

DeVry University

MINUTES

MARCH 2, 2012

CALL TO ORDER

The special meeting of the Board of Trustees of Mt. San Antonio College was called to order at 1:00 p.m. on Friday, March 2, 2012. Trustees Baca, Bader, Chen Haggerty, Chyr, and Hall were present.

STAFF PRESENT

Bill Scroggins, President/CEO; Virginia Burley, Vice President, Instruction; Audrey Yamagata-Noji, Vice President, Student Services; Mike Gregoryk, Vice President, Administrative Services; and Annette Loria, Vice President, Human Resources.

1. PUBLIC COMMUNICATION

Jennifer Galbraith spoke on the subject of Sabbatical Leaves. At the request of the Board, she gathered information with respect to the eight faculty members who have been put on hold for the past two years to take their approved sabbaticals; however, for some of them, the timing isn't right for 2012-13. Ms. Galbraith asked that the Board consider approving two of the applications, for Jody Williams-Tyler and Charis Louie. As is noted in the handouts for these two applicants, during their sabbatical leaves, Jody Williams Tyler plans to develop six experiments for the general chemistry curriculum with an emphasis on "green" chemistry practices. Charis Louie plans to create a series of podcasts that will assist students with the most challenging concepts in introductory psychology courses, which will be of particular value to auditory learners and distance learning students. Considering this information, Ms. Galbraith urged the Board to vote no on the proposed action item to not fund sabbaticals; but, instead vote to fund a portion of the approved leaves for the 2012-13 academic year, with the others being funded within the next three years. The faculty members have been put in limbo for too long and need to have a decision made. Sabbaticals are too important to

the professional development of faculty and the development of curriculum for the District to continue to not fund.

The Faculty Association is willing to work with the District in these financially unstable times.

2. SABBATICAL APPLICATIONS

In order to take a sabbatical, it requires an enormous amount of planning. Several of the faculty that have been put on hold would not be able to take their sabbaticals for the 2012-13 year. This is due to taking on other commitments to the campus such as the Teacher Preparation Institute Coordinator. These faculty do still wish to take their sabbaticals, but would like to be able to have it calendared at a time that will work for their departments, in the next few years.

Two faculty, Jody Williams-Tyler and Charis Louie, are both prepared to take their sabbaticals for the 2012-13 academic year. These faculty have provided information regarding their sabbaticals and the importance they hold for the students at this College.

At least one faculty member is no longer interested in taking her approved sabbatical as the timing is no longer appropriate.

Motion was made by Trustee Chyr and seconded by Trustee Hall for non-approval of sabbatical applications for 2012-13. Motion unanimously carried.

Trustee Chyr indicated, after the motion was made, that he would be in favor of approving two of the applications.

Trustee Baca moved to amend the motion, seconded by Chen Haggerty, and passed unanimously to disapprove six applications and approve two applications and direct Administration to work with Faculty to develop a sabbatical plan.

3. ANNUAL BOARD SELF-EVALUATION AND PRIORITY SETTING

President Scroggins distributed a compilation of survey responses from Board Members to questions regarding the Board's areas of strengths and those areas they thought needed improvement.

The first part of the self-evaluation requires Board members to give themselves a letter grade (A through F). Trustee Bader reviewed each item that didn't have the same grade level by all trustees.

The responses of Board members to each of the open-ended questions were reviewed. Trustees generally feel that the Board works very well together and with the CEO. They are very proud that the District has been fiscally prudent in the past as we work through the current financial crisis. Trustees are concerned about the reduction and elimination of classes and possible staff layoffs. The Board believes they need to keep the CEO better informed of community contacts. They also believe that they

should speak more directly, in a public forum, on sensitive issues affecting the College.

The Board expressed a concern that the State and its governing bodies mandate changes without thorough consideration of the strengths and uniqueness of each community college.

The Board expressed their concern about recruiting good leaders (i.e., the Foundation Director, the Vice President of HR, and the Associate Vice President of Fiscal Services).

President Scroggins recommended that the Board goals be prioritized and published. He also said he appreciates the way this Board works together and with him.

4. REDISTRICTING

President Scroggins talked about a letter that was received from LACOE, dated February 24, 2012, indicating that a petition has been received and signatures are being verified with the intent to increase the number of trustees on Mt. SAC's Board of Trustees from five to seven, to establish seven trustee areas, and to institute a trustee area voting method of election.

Trustees Hall, Bader, Chen Haggerty, and Baca believe there are significant advantages to moving to a seven-member board. Trustee Hall believes the more trustees the District has, the more they can get out in the community and to Sacramento to protect the District's interests. If the College takes the initiative to move forward to a seven-member Board, it will avoid a possible costly lawsuit.

Trustee Chyr talked about the process of redistricting and suggested that the area lines be drawn that make sense and in the best interest of the community (i.e., city lines), and not to protect trustees.

All of the options were reviewed, and the pros and cons of each option were discussed.

The Board agreed to postpone taking action on Redistricting until the March Board meeting. Therefore, this item has been tabled and will be presented at the March Board meeting for action on which plan to adopt.

The Board recessed at 2:45 p.m.

The Board reconvened at 2:55 p.m.

5. COLLEGE BUDGET PRESENTATIONS

A. Current Year Update and 2012-13 Projection by Linda Baldwin, Associate Vice President, Fiscal Services

- Linda Baldwin presented the 2012-13 Preliminary Budget and talked about the February surprise and other budget cuts. She indicated that, with what is currently known, the total estimated revenue will be \$135,260,489, the total ongoing expenditures are \$147,027,503, ending with an ongoing structural budget deficit of \$11,767,014. One-time expenditures totaling \$3,449,917
- With the Tier 1 and Tier 2 Trigger Cuts, it is estimated that the mid-year fund balance will be \$18,787,169, and with an estimated positive 2011-12 budget balance, the estimated fund balance on June 30, 2012, will be \$21,787,169 (or 15.18%). However, with the \$11,767,014 ongoing budget deficit and estimated one-time expenditures of \$3,449,917, it is estimated that the ending fund balance for the 2012-13 Tentative Budget will be \$6,570,238 (or 4.37%), which does not include mitigating budget reductions such as projected savings from vacant positions and Status Quo Budget reductions.
- The Budget Committee and President's Cabinet have recommended a more comprehensive review of all of the Status Quo Budgets. The purpose of this review is to align the budget with actual expenditures, also known as an Austerity Budget.
- In 2010-11, \$1.7 million of the \$9.8 million year-end positive variance was from unspent Status Quo Budgets. For the 2011-12 Adopted Budget, President's Cabinet identified \$500,000 in Status Quo Budget reductions.
- The goals are to align budgets with actuals based on a three-year expenditure history; to reduce budgets that have had a history of a positive balance; to help with reducing Mt. SAC's structural deficit; and to reduce the total year-end positive budget variance by developing an Austerity Budget.
- The process to achieve these goals is paperless – all files, forms, and instructions will be e-mailed to managers, and workshops will be held for interested employees.

B. Long-Term Budget Planning by Bill Scroggins, President

- Dr. Scroggins talked about a combination of the use of set-aside money and made the following suggestions:
 - Retiree medical benefits – go on hiatus on contributing to the fund
 - The College pays \$4.4 million per year, and Dr. Scroggins proposed to pay it out of the irrevocable trust for a period of time.
- If we recover half of the positive variance, it would be a permanent reduction in line-item spending.

- Cabinet will review the preliminary budget this summer to recommend further cuts.
- The model budget is designed to true up the budget to actuals and have a process for unexpected expenses, i.e., contingencies and immediate needs.
- Approximately \$1.2 million can be saved by looking at personnel attrition and service efficiencies.
- Copying and printing processes are being changed to save money.
- Scheduled maintenance and information technology may be funded differently for the next ten years (i.e., Measure RR Bond funds).
- International education (F1 Visa Program).
- Besides looking at classified employee cuts, manager cuts/furloughs are being considered.
- The preliminary budget that was presented by Linda Baldwin was the worst-case scenario. However, we do expect a \$6.6 million fund balance, which represents a 4.37% reserve.

C. Retiree Medical Benefits by Mike Gregoryk, Vice President, Administrative Services

Vice President Gregoryk indicated that the OPEB Trust's ending value for December 31, 2011, was \$68,078,953, which represented a 3.4% increase over the past year. The Auxiliary Services' ending value was \$2,945,795, which represented a 1.8% increase over the past year.

Mr. Gregoryk also talked about the pros and cons of borrowing from the irrevocable trust to avoid layoffs. He suggested that the Board sign an annual resolution outlining the terms of the loan.

D. Status Quo Budget Review: Austerity Budget by Bill Scroggins, President

Dr. Scroggins talked about the Budget Committee establishing policies with respect to discretionary spending (travel and entertainment). The rest of his presentation echoed that of Linda Baldwin's.

E. Communication and Board Resolution by Bill Scroggins, President (10 minutes)

This item was tabled for a later discussion.

F. Role of the Foundation by Lisa Sugimoto, Interim Director, Foundation

- Lisa Sugimoto talked about the role of the Foundation and the Mt. SAC Foundation Board Members:

1. Promote the accomplishments and needs of the College to the community, individuals, and corporations to build a donor base to support unmet College and student needs.
 2. Support effective communication activities with the community and key stakeholders.
 3. Assist the College in achieving its goals as needed or requested.
 4. Provide scholarships to deserving students who would not otherwise be able to attend college.
 5. Offer outreach guidance to individuals who wish to leave a legacy gift to Mt. SAC.
 6. Conduct special events that raise funds for scholarships and other program needs.
 7. Encourage parents and friends of the College to support students and their educational goals.
 8. Enlist College employees, faculty, and staff to build and sustain ongoing support for the College.
 9. Engage College alumni in activities and programs that will broaden and build donor support for the College.
 10. Enroll respected, competent advisors and board members to actively participate in helping to shape the future of Mt. SAC.
- Regarding the Partnership Agreement between the Foundation and Mt. SAC, the commitment of the Foundation, as authorized by the Foundation Board of Directors, shall be:
 - 1. Hold, apply, and prudently expend its income and assets so as to manage and operate the Foundation effectively for the exclusive benefit of the College.
 2. Develop and implement annual fund-raising and special event goals with strategies for each targeted donor market segment, donor product, or services based upon:
 - a. The funding needs reported by the College in its annual Funding Needs Assessment Request;
 - b. A consensus between the College and the Foundation regarding those specific funding needs which can be met during the next fiscal year; and
 - c. An analysis of current donor markets and their respective potential for development.

3. Raise funds from business, corporation, associations, and individuals, and use the funds raised to support:
 - a. Student Merit and Financial Aid Scholarships;
 - b. Short-term Emergency Student Loans;
 - c. College Instructional Equipment;
 - d. College Capital Projects;
 - e. College Academic Programs; and
 - f. Special College Projects, as needed.
 4. Work in close association with the Office of Institutional Advancement for the purpose of planning and coordinating the College/Foundation's internal and external fund and friend-raising activities, including planned gifts.
 5. Upon termination of the Partnership Agreement by either party, the Foundation will expend its net assets to the College for the benefit of its students.
- Strategies for fund-raising were discussed, and it was suggested that the new Foundation Director have a plan.
 - Ms. Sugimoto also distributed flyers for the Kepler Scholarship 3rd Annual Fund-raising Dinner, the Pasadena Marathon, and the Mt. SAC Golf Classic.
 - The Foundation just completed an audit and will be receiving the results shortly.
 - It was suggested that a Board of Trustees member be appointed as an ex-officio on the Foundation Board of Directors.

The meeting adjourned for the day at 4:33 p.m.

MARCH 3, 2012

CALL TO ORDER

The special meeting of the Board of Trustees of Mt. San Antonio College was called to order at 8:30 a.m. on Friday, March 3, 2012. Trustees Baca, Bader, Chen Haggerty, Chyr, and Hall were present.

STAFF PRESENT

Bill Scroggins, President/CEO; Virginia Burley, Vice President, Instruction; Audrey Yamagata-Noji, Vice President, Student Services; Mike Gregoryk, Vice President, Administrative Services; and Annette Loria, Vice President, Human Resources.

6. PUBLIC COMMUNICATION

None.

7. COLLEGE BUDGET

G. Reallocation of Resources Within Instruction by Virginia Burley, Vice President, Instruction

- Vice President Burley reported that, when categorical accounts were cut, instructional equipment budgets were eliminated.
- Software has become more and more important to instructional programs.
- VTEA funds have been decreased by 20% this year. Basic Skills funds have been decreased from \$2 million to \$1.1 million.
- The overcrowded Nursing program was discussed, and Vice President Burley indicated that the registration process is being changed from the lottery concept to a point concept (i.e., highest GPAs, etc.).
- It was noted that the noncredit fee-based classes are working well.
- The challenge has been to:
 - Respond to the report that showed very low completion rates in many of our degrees and certificate programs;
 - Ensure that scheduling of courses meet student needs for access to college, progress through a course of study, and completion; and
 - Enlist the expertise of the faculty about students and programs.

- Work done at the Instruction Team level:
 - Distribution of the report showing program completion rates for the last few years at the team meeting of deans and associate deans;
 - Assignment to quickly begin a dialogue with the departments based on this report being mindful of diminishing resources to fund program needs; and
 - The Team established guidelines that should facilitate the review and analysis of program completion, which were to:
 - Maximize support for programs that students seek and that help prepare for jobs or transfer;
 - Discontinue programs that are no longer current, valuable to students, or show very low completion rates; and
 - Define each department's central focus in working with students to help make decisions about what is no longer viable in today's educational environment.

- Work done within the academic program falls under these five areas of emphasis:
 - Working with students to develop more accurate completion rates;
 - Restructuring courses and programs to meet student needs;
 - Gathering additional data to better assess success;
 - Discontinuing programs; and
 - Scheduling carefully to maximize course offerings to meet student needs.

- Working with students to develop more accurate completion rates include:
 - Surveying students in the classroom;
 - Providing information to students about certificate and degree requirements.
 - Providing information to students about courses they have taken to qualify for certificates or degrees; and
 - Distributing certificate completion applications.

In short, encourage students to apply for degrees and certificates when they are close to finishing.

- Examples of departments using these strategies are: CIS, Business Management, Fashion Design, Engineering Design Technology, Aeronautics, Airframe Mechanics, Hotel and Restaurant Management, Athletic Training and Coaching, Horticulture, Personal Training, and Animation.

- In restructuring courses and programs to meet student needs, strategies employed include: Modernization – develop modules or course clusters that allow for efficient specialization (e.g., Computer Graphics and Graphic Design); and Laddering – a sequence of certificates with low units that build upon one another.

- Areas that have decreased the total number of units required for certificates and degrees include: Building Automation, Animation, CIS, Real Estate, Agricultural Sciences, Radio, Photography, EMS, and Personal Training.
- Creating of transfer degrees using existing courses (AA-T degrees) show that Communication Studies and Psychology are already approved, and Sociology, Art History, Kinesiology, Administration of Justice, Fine Arts, English, Geology, and Theater and in the development state.
- Industrial Design Engineering is adjusting the size of cohorts based on the needs of industry, college resources, and available job placements. In all health programs, Nursing is down from 90 to 60 students per cohort, and Paramedics is down from 3 to 2 cohort groups per year.
- In gathering additional data to better assess success, strategies being used and developed include: Supplemental tracking systems, post-program data, and ARGOS training for department chairs across all departments to facilitate a connection for departments to progress and success data for students in their courses.
- Discontinuing programs or scheduling carefully to maximize course offerings to meet student needs are also being implemented.
- The current status of the project is:
 - Faculty in departments across the College are highly aware of the need to focus courses and programs on student needs;
 - Faculty are working with curriculum, program design, and industry partners to ensure program currency and to provide strong pathways to success and completion for students;
 - Scheduling courses is becoming more data-based with a growing awareness that we need more data to let us know what students need; and
 - Faculty, administrators, and support staff have shown a deep commitment to serving the needs of students by maximizing efficiency of existing resources.
- Vice President Burley also distributed the College's Enrollment Management Plan for 2011-12 and the Schedule Development Guidelines.

H. Increasing International Students by Audrey Yamagata-Noji, Vice President, Student Services

- Vice President Yamagata-Noji reported that there's been an increasing trend in international students over the past several years. Since 2006-07, where there were 362 students, to 2010-11, where there were 508 students, an increase of 146 students has been realized.
- The largest increase in the past five years was 2010-11, which was 231 students.

- There has been an average increase of 211 new students over the past three years.
- An average of 75% admission/enrollment rate over the past five years has been documented.
- The profile of Mt. SAC's international students is: The large majority are from China (45%); the average age is 21 years old; the average units enrolled in are 13.02; and the average GPA is 3.00-3.49.
- The cost-benefit analysis is as follows: In Fall 2011, students enrolled in 5,941 units at \$250 per unit = \$1,485,250; in Winter 2012, students enrolled in 809.5 units at \$250 per unit = \$202,375; and in Spring 2012, students enrolled in 5,247.5 units at \$250 per unit = \$1,311,875, for a total revenue generated to date of \$2,999,500.
- The plan to expand the International Student Program includes: Improve how we process and provide services to International students; develop an outreach and recruitment plan with both a local component and an abroad component; enhance our marketing materials and approaches; and develop partnerships and relationships with individuals and organizations that can refer students to us, support and sponsor the program.
- There are concerns about expanding the program, which are:
 - What will happen to our native, resident students?
 - If our own students can't get classes, how can we bring in more students?
 - Response: International students do NOT get any priority over other students. In fact, their admissions process is much more rigid and requires additional testing and documentation. The revenue generated by international students can offset our unfunded FTES; thereby, allowing more resident students to access classes.
 - Are we setting our international students up to fail if we accept them and they can't get classes?
 - Response: Through support from International Counselors and Admissions staff, the overwhelming majority are able to enroll in classes, although they struggle like other students to access key classes at prime times. Because most international students do not work, they have more flexible schedules.
 - How can we be cutting back in some areas and growing this program?
 - Response: The growth of the International Program will provide increased revenues that will enable the College to have more resources to sustain other efforts.

- The Purpose Statement of the International Students Program is:

The enrollment of international students at Mt. SAC enables the College to provide an academic setting that has both a local and a globalized perspective which enables our students to maximize their educational experiences within a student body that is rich in diversity.

- Dr. Yamagata-Noji is planning to have an International Students day on campus and is working closely with Cal Poly on this program.
- An AACC team of 20 will be visiting Mt. SAC May 6-19, 2012.
- A budget will be established to improve the International Students program for recruitment and marketing purposes. The revenue generated from improving this program will greatly benefit Mt. SAC, and the College will be eligible for federal grants, as well.
- Vice President Yamagata-Noji distributed the Mt. SAC International Student Strategic Plan Overview.

I. Change in Auxiliary Services Practices by Mike Gregoryk, Vice President, Administrative Services

- Vice President Gregoryk talked about Auxiliary Services and indicated that it was incorporated on December 13, 1982.
- The Board of Directors includes the Vice President, Administrative Services (Chair); the Vice President, Student Services (Vice Chair); the Associate Vice President, Fiscal Services (Secretary/Treasurer); a Faculty Representative; and the Associated Students President.
- The setup of the Corporation was to operate the Bookstore, Food Services, and the Bursar's Office, and, for a period of time, Financial Aid employees. It was also to provide accounting services for trust accounts and special events.
- The Bursar's Office was moved to the District on July 1, 2007.
- Food Services was contracted to Sodexo on July 1, 2011.
- The plan is to transition Accounting Services for the Auxiliary to the District on July 1, 2012.
- Fiscal Services has taken on a great deal of additional responsibilities, and, in 2013-14, it will take over the accounting for the Foundation, as well.
- The District will continue assessment of Mt. SAC Auxiliary Services, which includes looking at where students are purchasing their books.

- The District is considering forgiving the \$60,000 loan from Auxiliary Services to the Foundation; however, this will be discussed at a later date with Auxiliary Services.
- It was suggested that, as with the Foundation, a Board member be appointed as an ex-officio on the Auxiliary Services Board of Directors.
- A legal opinion will be sought on the relationship between the Foundation and the District and the Auxiliary Services and the District.

The meeting recessed at 10:00 a.m.

The meeting reconvened at 10:10 a.m.

8. PUBLIC COMMENTS

- Johnny Jauregui talked about Facilities increase in square footage and injuries to CSEA 651 employees. He also talked about the pressures of getting their work done when they are also involved in shared governance. CSEA 651 is moving forward on unfair labor practices. He also talked about negotiations and expressed his interest in resolving issues with the District. He brought up the “Me Too” clause in their contract that he doesn’t feel the District is honoring.
- Richard McGowan talked about the presentation on International Students and the advantages of the program. He has a concern that current students cannot get classes, so how can International students, with no registration priority, get classes?

9. LEASE-LEASEBACK PROCESS

- Phil Henderson, Esq., and Sharon Suarez, Esq., both Partners with Orbach, Huff & Suarez, LLP, presented a comparison of Design-Bid-Build vs. Lease-Leaseback. This presentation is given as a result of looking at how other districts are handling their construction.
- On a Design-Bid-Build project, the bid limits are:
 - California community college districts must publicly bid contracts for construction projects of \$15,000 (Public Contract Code Section 20651), unless there is an exception:
 - The drawbacks of a Design-Bid-Build project are:
 - Contractor is selected by low public bid.
 - Requires owner to manage both architect and contractor, who are often at odds.
 - No pre-construction services provided by contractor.
 - Owner has full exposure to change orders and claims.

- In a Design-Bid-Build scenario, it begins with the district, which then hires a construction manager and architect, and then manages the multiple prime contractors and subcontractors.
- The current state of the Design-Bid-Build concept is:
 - Contractor with the biggest mistake gets the project;
 - Higher volume of claims;
 - Quality issues with contractors unfamiliar with DSA construction;
 - Contractor and subcontractor defaults;
 - Schedule and performance issues;
 - Increased contractor disputes and inflated change orders;
 - Increased legal issues; and
 - Increased owner and construction management resources.
- Managing risks in today's market:
 - Consider alternative procurement methods, such as:
 - Lease-Leaseback
 - Preliminary service agreements for preconstruction;
 - Collaborative partnership;
 - Open-book GMP or lump sum; and
 - Best value selection.
 - Design Build:
 - Early price certainty;
 - Multitude of design solutions; and
 - Best value selection.
- Lease-Leaseback (“LLB”) is an exception that was enacted at a time when there was a shortage of money for school and community college construction. Therefore, financing has historically been part of the arrangement, but not used much anymore. Education Code Section 81335 states: “...a community college district may let...real property which belongs to the district if the (lease) requires the lessee...to construct...a building or buildings for the use of the community college district.”
- Lease-Leaseback - Procurement:
 - Architect: First, owner selects architect through RFP/RFQ to design project.
 - Builder: District selects builder through RFP/RFQ process
 - Similar to Design-Build RPF/RFQ process;
 - Not requires, but strongly recommended; and
 - Criteria should include experience, qualifications, and pricing (e.g., general conditions, fee, OH&P, etc.).
 - PSA: Owner enters into preliminary services agreement with builder.
 - Depends on status of design, etc.; and
 - Builder has an opportunity to provide input into the design.
 - DSA: Architect completes design and gets DSA approval.
- Lease-Leaseback – Basic Structure:
 - Site Lease: District leases real property to a builder for \$1.
 - Facility Lease: Builder constructs facility; then leases the facility back to the district. This is the “leaseback” component.

- District payments for construction costs:
 - Tenant improvement payments during construction; and
 - Lease payments after construction.
 - Title to the new facility vests in the district as lease payments are made.
 - District makes lease payments for period of time and then has the option to make a balloon payment to builder to buy out the facilities lease.
- In the Lease-Leaseback scenario, the District hires a District Project Manager and Architect; however, the Lease-Leaseback Builder would be responsible for the Trade Contractors.
- Lease-Leaseback contracts are still District Public Works contracts:
 - Builder must pay prevailing wages (Ed. Code Section 81350).
 - A payment bond is required: Civil Code Section 3247: “Every original contractor to whom is awarded a contract by a public entity...in excess...of \$25,000 for any public work shall file a payment bond.” A performance bond is also required.
 - DSA approval required: Design documents must be approved by DSA before entering into agreements (Ed. Code Section 81332).
 - Field Act Compliance is required: Construction is subject to all State approvals, including Field Act (Ed. Code Section 81348).
- Lease-Leaseback provisions that must be considered:
 - Funding: Most districts have construction funds available for their project. Those districts make “tenant improvement” payments during construction.
 - In those instances, critics have asserted that the lease is, in fact, a conventional construction agreement; and
 - But, Section 81335 does not state that the district’s payments be financed or that payment be deferred until the project is completed.
 - Buy out: District must consider how quickly it will buy out the lease.
 - A six-month required occupancy prior to a buy-out option is more commercially typical than a buy-out option on the first day of the district’s occupancy; and
 - District have approved buy-out options at the time a “final payment” would be due under a standard construction contract (i.e., after 35 days, but no later than 60 days after Notice of Completion).
- Comparison of Lease-Leaseback with Design-Bid-Build:
 - Cost:
 - Cost of LLB contract may be higher than if publicly bid (e.g., builder has less incentive to reduce fee or overhead/profit amount). Owners are currently receiving artificially low bids.
 - But, cost savings can be achieved:
 - Include cost in the RFP/RFQ as a qualifying factor;
 - Require builder to use the lowest bid for each trade contract, unless it can show to the district’s satisfaction why it wishes to use the second-lowest bidder;
 - Require builder to solicit bids from local contractors;
 - Value engineering performed by builder during design should decrease cost of LLB contract;

- Reduced role of construction management decreases overall project costs; and
 - Reserve right to competitively bid if GMP not acceptable.
 - Quality: Increased quality due to:
 - Builder is selected based on qualifications, experience, and record of successful DSA-approved construction;
 - Participation by builder during design should result in better overall project quality;
 - Builder takes on role of partner;
 - Reduces risk of change orders and delay claims;
 - Team goals are aligned; and
 - Most LLB projects are completed on time.
 - Fairness and openness due to:
 - RFP/RFQ process ensures open and fair selection; and
 - “Open-book” communication.
 - Concerns: Some sectors of building industry and State have voiced concerns related to LLB.
- Prudent Steps:
 - Construction cost should be in the ballpark of price if project has been competitively bid.
 - Structure agreement so that it resembles a lease agreement as closely as possible.
 - Pick a builder:
 - that has completed many previous LLB projects;
 - that has a solid track record of timely completion; and
 - if possible, that the district has had good experience with.
 - District can file a validation action after governing board approves an LLB contract. (Most districts do not do this anymore.)
 - It was strongly suggested that outcome data be collected regarding Design-Bid-Build vs. Lease-Leaseback before the District makes the decision to go with Lease-Leaseback.

10. FACILITIES MASTER PLAN

Gary Nellesen, Director, Facilities Planning & Management, talked about the following identified changes in the Facilities Master Plan:

1. Page 24 – Space projections:
 - a. Low Growth Model from 2007 EMP;
 - b. Corrected for 2008-2012 actual growth/decline;
 - c. Growth is forecasted by specific academic and student service areas; and
 - d. Bottom Line = A specific growth plan for the future
2. Page 2 – Past Planning Efforts and Existing Conditions:

Includes Pages 2-6.

3. Page 7 – Existing Conditions:
 - a. Pages 7-10.
 - b. Includes Buildings, Pedestrian and Vehicle Circulation, and Parking
4. Page 11 – 2012 Master Plan (Note: Current projects are shown as complete):
 - a. Student Support Services L7-C8;
 - b. Language Lab and near-term growth space;
 - c. Athletics zone is more defined;
 - d. Field Act Remodel of “40” for continuing education is formalized;
 - e. Public Transportation is shown at the north of campus;
 - f. Fire Technology is shown where Golf Driving Range was;
 - g. New drive entrance is located at the southwest corner;
 - h. Reclaimed and potable water storage is shown; and
 - i. Future program zones (per legend).
5. Page 12 – Proposed Projects: Shown with buildings to be demolished.
6. Page 13 – Zone Concept is emphasized:
 - a. Pages 13-17; and
 - b. Open Space is identified on Page 18.
7. Page 19 – Circulation Plans:
 - a. Pedestrian creates new walk paths to the north; and
 - b. Vehicle Circulation through the core of campus is limited to deliveries, service, and emergency vehicles.
8. Page 21 – Campus Parking:
 - a. Structure will accommodate growth as forecasted through 2016-2018;
 - b. The 2008 study must be reviewed;
 - c. New Parking Lot south of Temple Avenue near the future Fire Technology; and
 - d. Consultant is recommending a second structure to achieve forecasted growth.
9. Page 22 – Infrastructure and Scheduled Maintenance

The meeting recessed for lunch at 12:15 p.m.

The meeting reconvened at 12:48 p.m.

11. PRIORITIZING MEASURE RR PROJECTS AND ENDOWMENT BONDS FOR SCHEDULED MAINTENANCE AND TECHNOLOGY

Mike Gregoryk, Vice President, Administrative Services, and Gary Nellesen, Director, Facilities Planning & Management, reviewed the Measure RR Phase 2 Projects to Complete the Master Plan. They presented a project listing of all of the Measure RR projects along with their original budgets including the State and Local components. Also, the worksheet shows the expected budgets for Phase 1 and Phase 2 of Measure RR illustrating changes in the budgets and emphasizing the lack of State funds. The worksheet also lists a number of high priority projects for which funding is not currently available.

For the \$20 million that is planned for Technology Equipment and Infrastructure, the breakdown of planned expenditures is as follows:

- Urgent Schedule Maintenance Projects for 2012-2015:
 - Humanities Building Mechanical \$2,400,000
 - Humanities Building Restrooms and Wet Utilities 1,100,000
 - Pool Showers and Locker Room 400,000
 - Building Expansion Joints 900,000
 - Stadium Bleachers and Track 1,100,000
 - Gym Repairs 450,000
 - Library HVAC Repairs 125,000
 - Scheduled Maintenance Urgent Needs 6,475,000

- Ongoing Scheduled Maintenance Projects for 2012-2022:
 - Roof Work 4,500,000
 - Flooring 2,500,000
 - Replace Major Mechanical Equipment 2,000,000
 - Work Surface Repairs 1,600,000
 - Exterior Painting 1,400,000
 - Interior Painting 600,000
 - Roadway Markings and Signage 600,000
 - Hazardous Materials Abatement 325,000
 - Scheduled Maintenance Ongoing Needs 13,525,000
 - Total Scheduled Maintenance \$20,000,000

For the \$6.8 million that is planned for Infrastructure Improvement, the breakdown of planned expenditures is as follows:

- Infrastructure Improvement Projects for 2012-2015:
 - North Campus Utility Infrastructure \$1,800,000
 - Temple Avenue South Utility Infrastructure 1,200,000
 - Campus-wide Accessibility Improvements 450,000
 - Stadium Accessibility Improvements 250,000
 - Potable Water Storage and Farm Area Well 1,100,000
 - Electrical Infrastructure – Balance Loops 700,000
 - CW Pipe Extension 600,000
 - Miscellaneous Small Infrastructure 700,000
 - Total Infrastructure Needs \$6,800,000

Mike Gregoryk, Vice President, Administrative Services, presented the subject of Endowment Bonds as follows:

- Overview:
 - Many school and community college districts have remaining general obligation bond authorization or plan on seeking additional bond approvals in 2012 or 2014.
 - While technology and facility upgrades are the cornerstone of many districts' bond program, districts may ignore the hidden costs of technology/facility maintenance or ongoing technology/facility upgrades required to ensure the district's investment is kept in good working order.
 - Recognizing that districts would benefit from a long-term source of funding for both technology upgrades and scheduled maintenance/capital projects, voters may approve the establishment of technology or scheduled repair endowment funds.

- Endowment Fund Process:
 - In order to create and fund a technology or facility repair endowment, a district must dedicate all of the proceeds of a series of bonds for this purpose.
 - Proceeds are deposited into an Investment Fund held by the County Treasurer-Tax Collector or other outside investment management entity permitted by the County.
 - The Investment Fund must be invested in tax-exempt municipal bonds which are not subject to the alternative minimum tax (AMT).
 - Issuing endowment bonds as taxable debt is also possible. Tax-exempt bonds have a lower interest rate; so, therefore, are less expensive than a taxable bond.

- Endowment Fund Requirements:
 - Endowment funds are subject to all of the Proposition 39 requirements, including oversight by an independent oversight committee.
 - The primary difference between an endowment fund and other proceeds of the sale of bonds is that the district is not required to spend the endowment monies during any particular time period.
 - Districts may size their borrowing based on a two-, five-, seven-, or ten-year technology/capital upgrade drawdown plan.
 - Bond structuring is impacted by the tax rule that limits the bond's maturity to 120% of the useful life of the projects.
 - To satisfy this requirement, endowment bonds are sold in tandem with a series of bonds for facility construction, which normally involves useful terms of over 40 years. In this context, the endowment bonds comprise the shorter of the combined bond maturities.
 - Withdrawal of money from the endowment is managed in the same way as all other bond funds.
 - The district has the option to withdraw only the interest income or interest and principal from the endowment as it chooses.

The list of Scheduled Maintenance Projects for 2012-2022 (\$20 million) is the same list as previously presented.

An additional estimated \$2 million per year for the next ten years is planned for Technology.

12. PLANNING PROCESS FOR MAINTENANCE AND RENOVATION

Gary Nellesen, Director, Facilities Planning & Management, reviewed the Project Prioritization Process and Timeline:

- a. Project Type Definitions – Following are general descriptions of the types of projects overseen by Facilities Planning & Management:
 - 1) Repair Project: The goal of a repair project is to correct operational deficiencies in existing facilities or equipment.
 - 2) Alteration Project: This type of project meets the needs of the campus community for additions or modification of equipment or facilities at the room level.
 - 3) Scheduled Maintenance: Scheduled maintenance projects modify, upgrade, or replace building and infrastructure systems that have reached the end of their useful life.
 - 4) Infrastructure Improvements: Infrastructure improvement projects are necessary to increase the capacity of access, life safety, and utility systems to support growth or the addition of a new facility.
 - 5) Energy Projects: Energy projects seek to improve existing systems to create energy cost savings over time.
 - 6) Minor Capital Projects: Minor Capital projects are similar to alteration projects, but are larger in scope and require formal DSA plan check and inspections.
 - 7) Major Capital Projects: Major Capital projects are those identified in the facilities master plan, such as new buildings, the major modernization of an entire facility, or the significant expansion of an existing facility.
 - 8) Health and Safety: A Health and Safety project is required to improve the health and safety of the campus community.
 - 9) Emergency Projects: At times, certain work becomes urgently necessary for various reasons.
- b. Prioritization – Each of the project types will require a different prioritization process to ensure equitable distribution of resources.
 - 1) Repair Projects: Since repair projects typically deal with equipment or systems that have already failed, they are prioritized on a first-come-first-served basis.
 - 2) Scheduled Maintenance, Energy, and Infrastructure Projects: The Facilities Management staff maintains a list of these projects and prioritizes them according to the level of urgency, access to the site, complexity, and availability of project management and financial resources.
 - 3) Alteration and Minor Capital Projects: Since resources for these projects are very limited, a formal process to prioritize the work is necessary. The process must align with the Planning for Institutional Effectiveness (PIE) process and remain transparent at all times. The following multi-step process is recommended:

- a) Budget Development (September);
 - b) Initiate a Call Letter (October);
 - c) Proposal Development (November);
 - d) Vice President Approval (December);
 - e) Project Review (January-February);
 - f) Planning for Institutional Effectiveness (PIE) (March-July);
 - g) Budget Augmentation (August);
 - h) Initial Project List (August);
 - i) Final Project List (September); and
 - j) Project Execution
- 4) Health and Safety Projects: Work required to improve the health and safety of the campus environment must be submitted to the Safety Committee for review.
 - 5) Emergency Projects: Emergency projects, with the endorsement of a Vice President, should be forwarded to the Director of Facilities Planning & Management for urgent treatment.

13. INTEGRATED PLANNING PRESENTATION

Virginia Burley, Vice President, Instruction, presented information on Integrated Planning and Planning and Institutional Effectiveness (PIE).

- The expectation of the Accrediting Commission for Planning is: “The College should develop a sustainable reiterated cycle of integrated planning, resource allocation, plan implementation, and evaluation.”
- Where are we now with program review (PIE)?
 - It is sustainable.
 - It is an annual process for every department on campus.
 - It documents planning used for resource allocation.
 - It is evaluated annually, and recommendations are made for ongoing improvement to strengthen this central planning tool.
 - However, it does not integrate planning efforts effectively.
- Focused plans are critical for campus functioning. Examples:
 - Basic Skills Action Plan;
 - Educational Master Plan;
 - Facilities Master Plan;
 - Student Equity Plan;
 - Technology Master Plan;
 - Student Success Plan; and
 - Equal Employment Opportunity Plan
- Currently, focus plans are not integrated with PIE. President’s Advisory Council has approved a process recommendation made by the Institutional Effectiveness Committee to address this planning gap:

- Involve committees responsible for institutional planning efforts (e.g., Facilities Master Plan, Technology Master Plan, Educational Master Plan, Student Equity Plan, etc.) in the PIE planning and reporting process.
- How would that work? We envision a dialogue between PIE planning and resource allocations and Focused Plan Committees.
 - College Goals would inform work of the committees, and input from committees would give the College directions for developing strategic objectives and also revising goals. Examples:
 - College Goal #5: The College will utilize and support appropriate technology to enhance educational programs and services – Technology Master Plan (Information Technology Advisory Committee).
 - College Goal #6: The College will provide opportunities for increased diversity and equity for all across campus – Student Equity Plan Committee.
 - College Goal #9: The College will provide facilities and infrastructure that support exemplary programs and consider the health and safety of the campus community – Facilities Master Plan Committee
 - College Goal #13: The College will ensure that curricular, articulation, and counseling efforts are aligned to maximize students' successful university transfer – Student Success Plan (Student Preparation and Success Committee)
 - Planning efforts and resource requests related to focused plans would be prioritized by each team and would then be sent to the committee or group in charge of the focused plan. Examples:
 - Technology needs – Technology Master Plan
 - Marketing requests – Marketing and Public Affairs Office
 - Requests to update instructional spaces – Facilities Advisory Committee
 - Department plans to increase degree completion – Educational Master Plan
 - Research support needs for outcomes assessment – Research & Institutional Effectiveness Office
 - Groups in charge of focused plans would respond to requests submitted through PIE and would use these requests to update their own planning efforts and for informing College strategic objectives.
 - Integrated planning goal:
 - An ongoing conversation between focused planning and central institutional planning;
 - Including employees from all teams of the College; and
 - Current, up-to-date information on needs and directions important for all instructional and service units at the College.

14. KEY PERFORMANCE INDICATORS PRESENTATION

Bill Scroggins, President, and Barbara McNeice-Stallard, Director, Research & Institutional Effectiveness, presented information on College Goals, Strategic Objectives, and Key Performance Indicators.

- College Goals: Usually large and very difficult to measure if they have been achieved or not.
 - Example: The College will engage students in activities and programs designed to increase their term-to-term enrollment (i.e., persistence).
- Strategic Objectives: Measurable and of great value to the college to examine further both for understanding of the issue and for improvement purposes.
 - Example: The Integrated Postsecondary Education Data System (IPEDS) will show a 2% improvement in student persistence over a five-year period for first-time students.
- Key Performance Indicators: A way for the college to evaluate if it has achieved its strategic objectives.
 - Example: Data from the five-year period do not indicate an overall increase.
- Persistence (IPEDS)

	<u>Part-time</u>	<u>Full-time</u>
▪ Fall 2004-Fall 2005:	55%	75%
▪ Fall 2005-Fall 2006:	55%	75%
▪ Fall 2006-Fall 2007:	55%	71%
▪ Fall 2007-Fall 2008:	51%	74%
▪ Fall 2008-Fall 2009:	54%	75%
▪ Fall 2009-Fall 2010:	56%	76%
- Persistence (Class Project Question #14) – Fall 2006 to Fall 2007
 - Asian = 72%
 - Filipino = 70%
 - Other = 61%
 - White = 59%
 - Total = 59%
 - Hispanic = 55%
 - Unknown = 55%
 - African American = 52%
 - Decline to State = 46%
 - Pacific Islander = 44%
 - Native American = 43%

The Board would like to see outside data and benchmarks or interventions that have been effective and successful with other colleges with regard to key performance indicators for ethnicity and gender. President Scroggins indicated that data will be collected, and a strategic plan presentation will be made to the Board at a later date.

15. DELEGATION OF AUTHORITY

Dr. Scroggins reported that he had a meeting with the executive assistants a few months ago, and the following items were recommended for discussion:

- Contracts: Allow the President to sign up to a certain dollar amount?
 - Current practice is to take every contract to the Board for approval. It is proposed that anything less than \$81,000 be approved by the President.
 - The Board would like to see the President report back at the next Board meeting with a lesser dollar amount.
 - Current practice is to take every contract to the Board for approval. It is proposed that a report be added to the monthly Board agenda listing contracts that were approved by the President during the prior period.
 - Trustee Chyr was not in favor, so President Scroggins will not move forward with it.
- Acceptance of Grants: Required to come to the Board?
 - Current practice is to take every grant to the Board for approval. It is proposed that a report be added to the monthly Board agenda listing grants that were approved during the prior period.
 - The Board would like to see the President report back at the next Board meeting with a dollar amount.
 - After some discussion, Trustee Chyr was not in favor, so President Scroggins will not move forward with it.

16. RESEARCH

- Hiring of Student Employees: Do they need Board approval? Can this be delegated to the President?
 - Current practice is to take every student employee hired to the Board for approval. It is proposed that a report be added to the monthly Board agenda listing student employees who were hired during the prior period.
 - Trustee Chyr was not in favor, so President Scroggins will not move forward with it.

17. PERSONNEL

Annette Loria, Vice President, Human Resources presented information on the status of negotiations with the Faculty Association, CSEA 262, and CSEA 651. She also presentation information on the following:

- Criteria for Replacement of Vacant Positions

- June 30, 2011 Implementation of retirement incentive – all employee groups

Classified	31
Faculty	12
Management	<u>4</u>
Total	47

Faculty replacements determined through college prioritization process

Classified and management replacement determined through Cabinet discussion. Options include:

- Delayed replacement
- No replacement
- Reduced FTE replacement
- Rehire

Currently, 55 recruitments in varying stages.

- Reclassification Project

- November 16, 2011 Board approval of consultant: Koff & Associates
- February 22-24, 2012 Orientation meetings
- September 2012 Projected completion date

18. CLOSED SESSION

The Board adjourned to Closed Session at 2:52 p.m.

19. PUBLIC SESSION

The public meeting reconvened at 3:35 p.m.

20. ACTION TAKEN IN CLOSED SESSION

None.

ADJOURNMENT

The meeting adjourned at 3:37 p.m.

Future Board Meetings: March 28, 2012
 April 25, 2012
 May 23, 2012

It is the intention of Mt. San Antonio College to comply with the Americans with Disabilities Act in all respects. Any person with a disability may request that this agenda be made available in an appropriate alternative format. A request for a disability-related modification or accommodation may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting to Denise Lindholm, Executive Assistant to the President and Board of Trustees, 1100 North Grand Avenue, Walnut, CA 91789, 909.274.4250, 7:30 a.m. to 4:30 p.m., Monday-Friday, at least 48 hours prior to the meeting.