



MINUTES OF THE STUDY SESSION OF THE GOVERNING BOARD

April 24, 2012



CALL TO ORDER / OPEN SESSION

Vice President Henry called the study session of the Board of Trustees to order at 10:01 am.

Board members present:

Mark McKean, President
Bill Henry, Vice President
Nina Oxborrow, Clerk
Jeff Levinson
Edna Ivans
Jack Minnite
Steve Cantu

Board members absent:

Gerald Butler, Student Trustee

Administrators present:

Frank Gornick, Chancellor
Ken Stoppenbrink, Vice Chancellor of Business Services
Carole Goldsmith, Vice Chancellor of Educational Services and Workforce Development
Pedro Avila, Vice Chancellor of Institutional Effectiveness and Planning
Willard Lewallen, President, West Hills College Coalinga
Don Warkentin, President, West Hills College Lemoore
Frances Squire, Executive Director, West Hills Community College Foundation
Sylvia Dorsey-Robinson, Vice President of Student Services, West Hills College Lemoore
Marlon Hall, Vice President of Student Services, West Hills College Coalinga
Marcel Hetu, Director of North District Center, Firebaugh

Introduction of Guests

There were no guests introduced at this time.

Public Comments

There were no public comments made at this time.

STUDY SESSION

- New Markets Tax Credit (NMTTC) Funding

Mr. Ken Stoppenbrink provided an updated on NMTTC funding. He reported that the information is making its way through the Department of Finance.

President McKean arrived at this time.

Mr. Stoppenbrink explained that one of the things that caught Mr. Fred Harris' interest right away was the word 'lease'. He explained that this is the reason for going through the Department of Finance so that they can review the information. Mr. Stoppenbrink also discussed judicial validation. Dr. Frank Gornick asked Mr. Stoppenbrink to discuss the worst case scenario. Mr. Stoppenbrink reported that if the Department of Finance is not in agreement with the funding, we will only be eligible for the funds that come from the SFID. Dr. Gornick stated that the state match dollars are the portion that are in question. Our regular SFID bonds are okay. We are seeking clarification on this issue. Mr. Stoppenbrink commented on additional funding because of the rates. Trustee Minnite questioned if it is worth it to go through this process for only \$1 million – 1.5 million. Mr. Stoppenbrink responded that it is a decision that would have to be made once we hear from the Department of Finance. Tax credits are due to expire so the Community Development Entities (CDEs) want to get them issued. President McKean questioned the reasons that the Department of Finance could say no. Mr. Stoppenbrink responded that a lease is a red flag because bond money was used to finance 30 year leases on equipment. This caused Mr. Harris not to want to run the program through the Department of Finance. Dr. Gornick commented on NMTC presentations that were made at the conference he recently attended in Orlando, Florida, stating that it is a funding mechanism that is being widely used.

- SFID Bond Sales

Mr. Stoppenbrink introduced Mr. Dale Scott. Mr. Scott provided a presentation on the general obligation bond analysis, explaining the current status of the 2008 authorization, the ability to issue bonds, and the voter and bond sizing analysis for each of the SFIDs. Mr. Kevin Cobb, district architect, stated that the North District Center Firebaugh project scores perfectly. Trustee Minnite stated that he just wants to preserve the project. He commented that we might be looking to Washington DC to get the project up and running. Dr. Gornick stated that there is a moratorium on earmarks and all of the stimulus funds appear to be allocated. He commented on dealing with inflation in terms of the bonds in 3-4 years. Trustee Minnite questioned the investment strategy while we are in a holding pattern. Mr. Scott stated that bond dollars are held in a holding account in Fresno County. Any interest accrues to that project and it is not a lot.

Discussion took place regarding each of the SFIDs and it was stated that calculations are done on an annual basis. Assessed valuation is done each summer in July or August.

Discussion took place regarding polling data and demographics. Dr. Gornick commented on the long term benefit to the college. He stated that the information needs to be put before the voters in terms of an opportunity to save and commit dollars for the long term benefit to the college. Mr. Scott commented on the timing and stated that the Board would need to take action by the end of July.

- Hydroponics Project

Dr. Gornick stated that we were hoping to have materials by the time of the meeting but we do not. He recently met with Mr. Rick Wright and Mr. Dale Scales, who is a realtor

and a water broker. They have decided to see if they can develop private/ public partnerships to generate revenue. If we have local ag facilities, they would like to develop the partnerships to move into the industry of hydroponic projects. Their intent is to develop Memorandums of Understanding (MOUs) to develop hydroponic pods in a storage facility. A certificated curriculum would go along with it. Employees would be taught the skills to run a hydroponics project. The yields are significant. They have toured our Farm of the Future facility and are impressed with it. This project would provide an opportunity for income to the district and also provide opportunity for training and employment of students. Dr. Gornick stated that we will be moving forward and exploring the possibility of this project. They want to provide us with an income stream that could also help us to endow the farm.

Mr. Cobb briefly discussed the status of the solar project. He reported that the power study still has not been completed and our project is still not out of their study. We will lose another year before we can begin anything. We have been assured that our study will be done sometime this summer. The project is not dead, but is delayed.

- Budget Update

Mr. Stoppenbrink reported that the latest red flag in the budget is from the Redevelopment Agency (RDA). There may be a \$147 million hit to community colleges. This amounts to a \$735,000 hit to the West Hills Community College District. Mr. Stoppenbrink explained that RDAs supplied money to the state and local agencies. Since this is ending, the state is telling us that we have to absorb all or a portion of the costs. This will be a hit to the district's revenue stream.

ADJOURNMENT

There being no further business before the Board of Trustees, the study session was adjourned at 11:45 am.

Nina Oxborrow
Clerk of the Board of Trustees

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