



WEST HILLS COMMUNITY COLLEGE DISTRICT

Board of Trustees
9900 Cody Street
Coalinga, CA 93210
(559) 934-2100

MINUTES OF THE REGULAR MEETING OF THE GOVERNING BOARD

June 4, 2009



CALL TO ORDER / OPEN SESSION

Vice President Henry called the meeting of the Board of Trustees to order at 1:01 p.m. and led the Board members and audience in the flag salute.

Board members present:

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

Board members absent:

Nina Oxborrow, Clerk

Administrators present:

Frank Gornick, Chancellor
Ken Stoppenbrink, Vice Chancellor of Business Services
Willard Lewallen, President, West Hills College Coalinga
Don Warkentin, President, West Hills College Lemoore
Jana Cox, Director of Human Resources
Frances Squire, Director of Marketing
Pedro Avila, Director of Institutional Effectiveness and Planning
Marcel Hetu, Director of North District Center, Firebaugh
Susan Whitener, Dean of Learning Resources
Dolores Smith, Director of Financial Aid
Eliseo Gamino, Director of CAMP, West Hills College Coalinga
Darlene Georgatos, Director of Enrollment Services
Jill Stearns, Dean of Student Learning, West Hills College Coalinga

Introduction of Guests

Ms. Frances Squire, Director of Marketing, introduced Mr. Kevin Cobb, District Architect, and Mr. Jon Isom of Dale Scott & Company.

Public Comments

There were no public comments made at this time.

FISCAL SERVICES

FS-62 Discussion of Bond Anticipation Notes (BANs) – Mr. Ken Stoppenbrink, Vice Chancellor of Business Services, provided a presentation on the history and impact of cash flow for the district. Discussion took place regarding when the state will pay us and what they will be paying us for. Additional discussion occurred regarding the work for which we are being invoiced. Mr. Stoppenbrink distributed general obligation bond payment information and discussion took place regarding reimbursements.

Trustee Levinson questioned why we would take the BANs out now instead of a few months down the road. Mr. Stoppenbrink responded that if all of the construction projects are delayed, it would be less of a stress on the district's cash flow and the BANs may not be needed. Trustee Levinson questioned if we can we get the BANs six months from now. Mr. Jon Isom responded in the affirmative. Trustee Levinson questioned why we would issue the BANs now instead of when we really need it. Dr. Frank Gornick explained that the state not paying us is causing an undue hardship on our cash flow and we need the BANs for this purpose. Trustee Levinson stated that he thought the initial concept of the BANs was to be able to make the payments on the construction projects. The Board members agreed that the issue is being confused with BANs being used for projects or for cash flow. Mr. Stoppenbrink stated that we want to be able to replenish our cash to meet payroll for June. We have delayed paying a number of vendors in order to have adequate cash for payroll, but we will eventually need to pay the vendors. Trustee Henry questioned if the Board does not approve the BANs for Coalinga, does that mean we may not be able to meet payroll in July. Mr. Stoppenbrink responded that this is a possibility. He further stated that the State of California is bankrupt, but they haven't declared it. Dr. Gornick stated that this is the fear we have. We will receive money from the state, but we don't know how much. Trustee Ivans stated that the BANs is a bridge. Trustee Henry questioned if we get \$4 million out of SFID #2 through the BANs and we use it to operate the institution, would we still be able to go forward with the construction projects. Mr. Stoppenbrink explained that in order to go forward with the projects, we have to go forward with the BANs for Coalinga and Lemoore. Dr. Gornick commented on delaying the timeline for construction projects. Trustee Henry questioned how much it costs the district to create the BANs for SFID #2. Mr. Isom

responded that we will receive \$4 million. When we get the \$4 million, it is for projects and we will be reimbursing the money back from the capital projects account. President McKean initiated discussed concerning showing ongoing capital expenses to get the \$4 million. Mr. Isom stated that all costs to the district, including the cost of issuance and three years of interest, is \$941,054. The payments are made from the premium generated by the BANs sale. Trustee Henry summarized, stating that when we pay back the BANs we will pay back the \$4 million plus \$941,054.

President McKean asked for comments from the audience. There were none at this time. Trustee Henry questioned the repayment on the BANs for SFID #2. It was stated that repayment would be three years from issuance. Many Board members agreed that the BANs for SFID #3 does not make any sense for us. Trustee Henry questioned if we were to issue the BANs, could we pay our bills and finish the Wellness Center project in Coalinga. Mr. Stoppenbrink responded in the affirmative. Dr. Gornick responded in the affirmative and stated that it would be tight. Trustee Henry questioned if we can get by without the BANs. President McKean stated that the cost of issuance is almost \$1 million. Trustee Henry stated that he understand that it is not paid until the end of the term and that \$4 million would be deposited into the district's account. Trustee Minnite stated that his concern is that, given our cash flow, how can we go out and sell the BANs when we have no cash flow coming in? Mr. Isom stated that the rating agencies have looked at these issues. The primary source of payment is the general obligation bonds. They have done some stress testing and have determined that the district has the ability to repay the BANs through the GO bonds. The "gravy" would be the ability to use state reimbursements over the course of the next few years to be able to repay. Trustee Minnite stated that he would like to see something in writing from legal counsel that they agree with the resolutions. Trustee Cantu commented on the BANs and questioned the cost of the general obligation bonds. Mr. Isom stated that it is probably 2-3% of the issuance. In response to Trustee Minnite's comments about review by legal counsel, Mr. Stoppenbrink stated that the bond attorneys drafted the resolution. Trustee Cantu commented on using the BANs to make payroll and pay vendors. He stated that we need to clarify how the money will be tracked. Mr. Stoppenbrink responded that we have an accounting system set up to be able to do this.

President McKean initiated questions and discussion on what we have spent on the construction projects and what has been reimbursed. He stated that, in his point of view, this is a package deal. There are some things that have not yet been discussed which tie to items that are to be

covered in closed session. These discussions need to occur before the resolutions are considered.

President McKean asked if there are any more questions from anyone in the room. Mr. Don Warkentin initiated discussion about the Lemoore construction project and the pros and cons of starting and delaying. If the district were to issue the BANs for SFID #3 for \$7 million, the total financing cost of 3.6% would be \$252,000. If the project is delayed, the increase to the construction costs - based on a conservative 10-15% increase - amounts to approximately \$700,000 - \$1 million. Looking at these increased construction costs, it is cheaper to borrow than cheaper to wait.

Dr. Marcel Hetu questioned BANs could be issued for the North District Center. Trustee Ivans stated that this would only benefit the district \$150,000 because of the amount of the projects.

Trustee Levinson stated that he has no comfort level that we will receive state funds. Ms. Marty Ennes stated that the faculty are concerned about payroll and questioned if this should be a continued concern. Mr. Stoppenbrink stated that the June payroll is now covered and no one needs to be worried about payroll unless the state stops apportionment payments. He stated that we will delay paying vendors in order to meet payroll as this is our first priority. This also includes reimbursable expenses to employees.

No action was taken on the following resolutions at this time:

FS-63 Resolution - Bond Anticipation Note (BANs) for SFID #2

FS-64 Resolution - Bond Anticipation Note (BANs) for SFID #3

President McKean announced that the Board of Trustees will take action on the resolutions following the closed session portion of the meeting.

BOARD REPORTS / COMMENTS / REQUESTS AND ANNOUNCEMENTS

No reports or comments were made at this time.

CLOSED SESSION

The meeting was adjourned to closed session at 3:12 p.m.

- Anticipated Litigation (as per Government Code Section 54956.9). Number of potential cases: 4
- Discussion of Land Acquisition/Disposition of Property (as per Government Code Section 54956.8). Property: Coalinga, California; Firebaugh, California; Lemoore, California
- Conference with Labor Negotiator (as per Government Code Section 54957.6). Agency negotiator: Chancellor; Vice Chancellor of Business Services; Director of Human Resources. Employee organization: CTA; CSEA. Unrepresented employees: Administrative; Management; Confidential

RECONVENE TO OPEN SESSION

The meeting was reconvened to open session at 4:22 p.m.

FS-63 Resolution - Bond Anticipation Note (BANs) for SFID #2 - Trustee Ivans stated that she feels we need to have this resolution at this time.

The resolution in the matter of Bond Anticipation Notes (BANs) for SFID #2 (Coalinga area) was approved on a motion by Trustee Ivans, seconded by Trustee Henry, and carried on the following vote: Ayes - 4, Noes -2 (Trustees Cantu and Minnite).

FS-64 Resolution - Bond Anticipation Note (BANs) for SFID #3 - It was stated that if this resolution were approved, the BANs would have to be paid in a year and we would have to issue another set of general obligation bonds. Frank stated that this resolution could also be brought back at a later date.

Trustee Ivans made a motion to adopt the resolution in the matter of Bond Anticipation Notes (BANs) for SFID #3 (Lemoore area). The motion died for lack of a second.

President McKean announced that the next meeting of the Board of Trustees is scheduled for June 23, 2009.

ADJOURNMENT

There being no further business before the Board of Trustees, the meeting was adjourned at 4:26 p.m.

Nina Oxborrow
Clerk of the Board of Trustees

Personnel Transactions

1. New Hires – Classified

Name	Title & Location	Schedule	Salary Placement	Funding	Effective Date	Additional Information
Call, Claudia	Business Account Specialist West Hills College Coalinga	40 hrs/wk	Range 57 Step A	Grant	6/1/09	New position; funding ends 9/30/09
Davis, Eric	Business Account Specialist West Hills College Coalinga	40 hrs/wk	Range 57 Step A	Grant	6/1/09	New position; funding ends 9/30/09
Gomez, Roselia	Child Development Center Assistant San Joaquin Child Dev. Center	19 hrs/wk 12 mo/yr	Range 23 Step A	Grant	5/11/09	New position
Gonzalez, Renee	Program Eligibility Specialist Intake/Recruitment West Hills College Coalinga	40 hrs/wk	Range 46 Step A	Grant	5/18/09	New position; funding ends 9/30/09
Hernandez, Rozanne	Program Eligibility Specialist Intake/Recruitment WHC Coalinga, North District Center	40 hrs/wk	Range 46 Step A	Grant	5/18/09	New position; funding ends 9/30/09
Hernandez de Garcia, Leticia	Child Development Center Assistant San Joaquin Child Dev. Center	19 hrs/wk 12 mo/yr	Range 23 Step A	Grant	5/11/09	New position
Lopez, Monica	Child Dev. Center Office Assistant San Joaquin Child Dev. Center	19 hrs/wk 12mo/yr	Range 29 Step A	Grant	5/11/09	Replacement for Rica Rodriguez
Ramirez, Oscar	Groundskeeper West Hills College Coalinga	19 hrs/wk 12 mo/yr	Range 37 Step A	District	5/6/09	Replacement for Nick Rodriguez
Rodriguez, Diana	Child Dev. Center Office Assistant North District Center, Firebaugh	19 hrs/wk 12 mo/yr	Range 29 Step A	Grant	5/26/09	Replacement for Rica Rodriguez
Rodriguez, Maria	Child Dev. Center Associate Teacher San Joaquin Child Dev. Center	19 hrs/wk 9 mo/yr	Range 30 Step A	Grant	5/11/09	Replacement for Lourdes Camacho
Soto, Zachary	Business Account Specialist West Hills College Coalinga	40 hrs/wk	Range 57 Step A	Grant	5/26/09	New position; funding ends 9/30/09

2. Temporary Hires

Name	Title & Location	Schedule	Salary Placement	Funding	Effective Date	Additional Information
Vasquez, Melissa	Child Dev. Center Associate Teacher San Joaquin Child Dev. Center	40 hrs/wk	Range 30 Step A	Grant	5/27/09 – 6/30/09	Temporary hire during active recruitment

3. Leave of Absence

Name	Title & Location	Effective Date	Additional Information
Valdeabella, Mina	Family Resource Coordinator Coalinga Child Development Center	5/5/09 – 6/1/09	FMLA Request

4. Resignations / Retirements / Releases During Probation / Terminations

Name	Title & Location	Effective Date
Baslee, Anthony	Custodian North District Center, Firebaugh	4/7/09
Heskett, Susanne	DSPS Instructor West Hills College Coalinga	5/22/09
Martinez de Garcia, Karla	Child Development Center Assistant West Hills College Coalinga	1/27/09