

**PALO VERDE COMMUNITY COLLEGE DISTRICT**

**STUDY SESSION**

**BOARD OF TRUSTEES**

One College Drive in Blythe – CL 101

*(and Teleconference held at West Broadway in Needles-Classroom#8)*

**Tuesday, February 14, 2012**

**5:00 p.m.**

**Meeting 12-02**

**MINUTES**

**OPENING OF MEETING**

The Special Meeting of the Board of Trustees was called to order by the President of the Board, Mr. Gonzales at 5:00 p.m.

The Salute to the American Flag was led by Mr. Lewis, Clerk of the Board.

Present:

Ed Gonzales, President  
Millie Rodriguez, Vice President  
Jerry Lewis, Clerk of the Board  
Ted Arneson, Trustee  
Lincoln Edmond, Trustee  
George Thomas, Trustee

Administrators Present:

Denise Whittaker, Interim Superintendent/President  
Diana Rodriguez, Vice President of Student Services  
William Smith, Vice President of Instructional Services

Recorder:

Carrie Mullion

Absent:

Sam Burton, Trustee and Jeneane Quist, Student Trustee

Visitors: On file in the Superintendent/President's Office.

It was moved by Dr. Thomas, seconded by Mr. Edmond, and unanimously carried, that the agenda for this meeting be approved.

**ITEMS FOR DISCUSSION IN CLOSED SESSION** (AT END OF MEETING WITH NO REPORTABLE ACTION ANTICIPATED).

1. Real Property; Palo Verde College Property Assets.
2. Public Employee Discipline/Dismissal/Release.
3. Conference with Labor Negotiator, Denise Whittaker - CCA/CTA, CSEA, and Non-Represented Employees.

**HEARING OF CITIZENS (AGENDA ITEMS)**

None.

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(These minutes are a concise summary of reports, discussion and actions taken at this meeting. For detailed comments and discussion a tape is available to the public for 30 days after the date of this meeting.)

**CONSENT RESOLUTION**

**B. Business**

**Resolution 12-02 B-08 – CONSULTANT AGREEMENT (ENTWISTLE)**

BE IT RESOLVED, that the Palo Verde Community College District Board of Trustees approves the agreement for Consultant Services for Rhonda Entwistle, of Blythe, CA, to provide assistance for the Workforce Investment Act (WIA) Green Jobs Sub Grant Agreement which includes ensuring compliance with all rules, regulations, directives, policies, procedures and amendments of the WIA Sub Grant Agreement. Services will be rendered on an as-needed basis for WIA compliance requirements at the rate of \$40.00 per hour, not to exceed 960 hours in 2012, and 290 hours in 2013, effective February 21, 2012 until March 31, 2013. (Payment will be funded by the Green Jobs Grant Sub agreement).

***(Blanket Motion)***

It was moved by Mr. Lewis, and seconded by Mr. Edmond, that the Consent Resolution be approved.

Student Advisory	<u>ABSENT</u>	Edmond	<u>YES</u>	Rodriguez	<u>YES</u>
Arneson	<u>YES</u>	Gonzales	<u>YES</u>	Thomas	<u>YES</u>
Burton	<u>ABSENT</u>	Lewis	<u>YES</u>		

Motion carried/lost; Aye 6 No 0 Abstain 0 Absent 1

**ACTION ITEMS**

**C. Personnel**

***(Confidential/Management)***

**Resolution 12-02 C-03 - EMPLOYMENT OF TEMPORARY ACTING TITLE III PROJECT COORDINATOR/EDUCATIONAL TECHNOLOGIST**

BE IT RESOLVED, that M.L. Bettino be employed as Temporary Acting Title III Project Coordinator/Educational Technologist, 40 hours per week with no benefits, at a placement of Row 3, Step 12, on the Confidential/Management Salary Schedule, effective as soon as can be arranged, and ending one year from start date.

It was moved by Ms. Rodriguez, and seconded by Mr. Edmond, that Resolution 12-02 C-03 be approved.

Student Advisory	<u>ABSENT</u>	Edmond	<u>YES</u>	Rodriguez	<u>YES</u>
Arneson	<u>YES</u>	Gonzales	<u>YES</u>	Thomas	<u>YES</u>
Burton	<u>ABSENT</u>	Lewis	<u>YES</u>		

Motion carried/lost; Aye 6 No 0 Abstain 0 Absent 1

## **PRESENTATION; CERTIFICATES OF PARTICIPATION RESTRUCTURING – C.M. Brahmhatt**

Mr. Brahmhatt introduced Lori Koh, Vice President, Municipal Finance of RBC Capital Markets; and Lisalee Wells, Partner, Community College Practice Leader of Fulbright & Jaworski L.L.P. Mr. Brahmhatt stated that RBC Capital Markets is in the business of restructuring COP's, and Ms. Wells will provide legal counsel. Handouts were provided - "Palo Verde Community College District, Proposal for Purchase of 2008 Certificates of Participation". A PowerPoint presentation was given by Ms. Koh and Ms. Wells. A Study Session regarding the restructuring process occurred and questions from the Board of Trustees and others were answered.

The following is a brief summary of the presentation:

1. Certificates of Participation (COPs) are investments that investment holders expect to earn interest. The District initially had \$18 million of COP funding and refinanced it to \$32 million. These investors provided \$32 million to the District for construction and infrastructure items and in return they earn interest for their investment.
2. The District cannot pay the debt before 2016, but there is a window of opportunity to buy down debt at this time.
3. If nothing is done, the College will pay \$60,000,000 over the next 25 years to pay off the debt.
4. \$9 million of the \$32 million has been spent (\$7 million was used up front as an interest payment to get the funds). There is approximately \$15 million remaining.
5. If \$12.5 million of the \$15 million remaining is used to buy back as many Certificates of Participation as possible, the overall payments over the next 25 years could be reduced nearly in half.
6. The current cost to buy back a Certificate of Participation is about 102% of value (100% of value means it is possible to buy COPs back at the same price they were sold, which means the investor receives no income on the deal). The hope is to buy the Certificates of Participation back for less than 100% of value, but if not, the added 2% would represent a pre-payment penalty. If the purchase is at 102% of value, or a little higher, the debt is still significantly reduced and is worth the price. It is preferred not to go beyond the 102% cost because the District needs the \$2.5 million remaining to make the interest payments on the loan over the next 3 years.
7. To make this business transaction, the District must acquire the services of a professional agency that deals with this type of sale and understands the logistics; and also hire a lawyer who is present at the transaction in order to protect the interest of the District. The Board of Trustees has to approve a resolution to make the sale before proceeding. This resolution will be on the next Board agenda. Mr. Brahmhatt will be with the firm on the day of the sale to oversee the transaction.
8. Once approved, the sale will take place within 10 days. There will be a Special Board Meeting on March 6 to report on the sale.
9. In 2016, Palo Verde College may have another opportunity to restructure what is owed to help minimize the annual impact on the budget for future years.

## **HEARING OF CITIZENS (NON-AGENDA ITEMS)**

None.

## **ADJOURN TO CLOSED SESSION (WITH NO REPORTABLE ACTION ANTICIPATED).**

Trustees and Interim Superintendent/President adjourned to Closed Session at 5:47 p.m. to discuss the following:

1. Real Property; Palo Verde College Property Assets.
2. Public Employee Discipline/Dismissal/Release.
3. Conference with Labor Negotiator, Denise Whittaker - CCA/CTA, CSEA, and Non-Represented Employees.

**OPEN SESSION**

Trustees and Interim Superintendent/President returned to Open Session at 7:10 p.m. and stated no reportable action was taken.

**ADJOURNMENT**

The meeting was adjourned at 7:10 p.m.

The next Regular Meeting will be held on Tuesday, February 28, in Blythe.

**Minutes approved at the  
Regular Meeting of the Board of Trustees**

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**Secretary of the Board**