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# ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

## BOARD OF TRUSTEES

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### Agenda

Special Board Meeting  
Tuesday, January 15, 2019

Hilda Zacarías, President  
Larry Lahr, Vice President  
Jeffery C. Hall  
Dan Hilker  
Gregory A. Pensa  
Inri Serrano, Student Trustee

Allan Hancock College  
Closed Session - Captain's Room, B-102  
Open Session - Boardroom, B-100  
800 South College Drive, Santa Maria, CA 93454

	<u>Page</u>	<u>Tent. Time</u>
1. Call to Order		2:30 PM
2. Public Comment to Closed Session		
<p>This section of the agenda is intended for members of the public to address the Board of Trustees on items involving the community college district that are being considered in Closed Session. <i>Please note that Board members are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda.</i> The leading speaker from the audience on each side of an issue will be limited to five (5) minutes. Additional speakers are limited to two (2) minutes. To address the Board of Trustees, please fill out a <u>Request to Address the Board of Trustees</u> form and provide it to the superintendent/president <u>prior</u> to this part of the agenda.</p>		
3. Adjourn to Closed Session		2:30 PM
3.A. Evaluation of the Superintendent/President		
4. Reconvene to Open Session		3:15 PM
5. Public Comment		

The section of the agenda is intended for members of the public to address the board on items involving the school district. Time limits and procedures to address the Board of Trustees, as stated in the Public Comment to Closed Session, apply to this part of the agenda. Public comment not pertaining to specific agenda items is welcome under public comment. *Please note that Board members are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda.* Testimony on specific agenda items will be welcome during consideration of the item by the Board of Trustees. When public testimony is completed regarding a specific agenda item, discussion is then confined to board members only. This practice is in accordance with laws governing Board of Trustees public meetings.

	<u>Page</u>	<u>Tent. Time</u>
6. Information		3:15 PM
6.A. Measure Y Review/Fine Arts Complex Update	3	
An opportunity to review Measure Y and consider future funding for Fine Arts Complex.		
6.B. Measure I General Obligation Bond Audit	4	
An opportunity to review the independent financial and performance audit of Bond Measure I.		
6.C. District Goals and Priorities for 2017-18 and 2018-19	5	
An opportunity to review past goals and set new priorities for the district that are consistent with 2014-2020 Strategic Plan.		
7. Action Item		4:00 PM
7.A. Audit Report for Year Ending June 30, 2018	6	
A recommendation that the board of trustees accept the audit report for the year ending June 30, 2018, as presented.		
7.B. Contract Update for Superintendent/President	7	
A recommendation that the board of trustees approve the amendment to the superintendent/president's employment agreement.		
8. Adjournment		
<p>In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the President's Office at (805) 922-6966 ext. 3245. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.</p>		



Kevin G. Walthers, Ph.D.  
Secretary to the Board of Trustees

**INFORMATION ITEM**

To: Board of Trustees	Date:
From: Superintendent/President	January 15, 2019
Subject: Measure Y Review and Fine Arts Complex Update	Item Number: 6.A.
Strategic Goal: Goal IR4: To provide a safe, attractive, and accessible physical environment that enhances the ability to teach, learn, and work.	Enclosures: Page 1 of 1

BACKGROUND

Staff will provide an overview of voting patterns for Measure Y and provide the Board with a chance to ask questions about the process.

With the failure of Measure Y, staff have reviewed options to fund the proposed Fine Arts Complex. In collaboration with Joanna Bowes, managing director, KNN Public Finance LLC, Dr. Walthers will present district finance options to fund the local match for the Fine Arts Complex. Based on the option the board of trustees would like to pursue, authorization to proceed may be presented at the February board meeting.

Administrator Initiating Item:  Eric Smith	Final Disposition:
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**INFORMATION ITEM**

To: Board of Trustees	Date:
From: Superintendent/President	January 15, 2019
Subject: Measure I General Obligation Bond Audit	Item Number: 6.B.
Strategic Goal: Goal IR2: To develop district financial resources adequate to support quality programs and services.	Enclosures: Page 1 of 1

**BACKGROUND**

On June 6, 2006, the Allan Hancock Joint Community College District successfully passed Measure I to issue \$180,000,000 in general obligation bonds.

Education Code section 15286 requires districts that have passed a general obligation bond under Proposition 39 complete, on an annual basis, an independent financial audit and a performance audit. These audits shall be conducted in accordance with the government auditing standards issued by the Comptroller General of the United States for financial and performance audits.

The Measure I general bond audit for the year ending June 30, 2018 is completed and is included under a separate cover. For the electronic version, see the following link <https://tinyurl.com/hancockGO-bondaudit2018>.

Mr. Rauch from the audit firm Vavrinek, Trine, Day & Co. will present at the board meeting to provide background information and answer questions.

Administrator Initiating Item: Eric D. Smith	Final Disposition:
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**INFORMATION ITEM**

To: Board of Trustees	Date:
From: Superintendent/President	January 15, 2019
Subject: District Goals and Priorities for 2017-18 and 2018-19	Item Number: 6.C.
Strategic Goal: Goal SLS2: To support student access, achievement, and success.	Enclosures: Page 1 of 1

**BACKGROUND**

The board of trustees and Dr. Walthers meet twice a year to set and review goals and priorities for the college. Below is an update on progress toward 2018-2019 goals:

**Goals for the 2018-2019 year:**

- *Monitor and assess funding plan for new Fine Arts Building/Measure I Bond Program* – an assessment of options for funding the Fine Arts Complex will be presented at the board retreat. The latest audit on Measure I has been completed, again with no findings by the auditor.
- *Roll out new resource allocation model* – the new model has been approved by College Council and a new Resource Allocation Committee is being formed this spring.
- *Address issues identified in KFH report* – follow up focus groups have been formed and a full action plan will be unveiled at All Staff Day.
- *Manage changes in senior leadership positions* – new senior managers are making a positive impact on the college and have already addressed challenging issues.
- *Student Center Remodel* – staff are meeting with students to complete the design this spring, with work to be completed over the summer break.
- *Dream Center* – ASBG is working with Facilities Council for a space on campus. In the meantime, we have put together staffing to provide the functions of a Dream Center program.
- *Support faculty on these issues* – each issue is part of a task force made up of key faculty and staff that will wrap up work this spring.
  - AB 705 Implementation
  - Guided Pathways implementation
  - Lompoc Valley Center pathway to two-year degree
- *Four year opportunities with non-profit university* – the University of La Verne is launching its first cohort program. Talks are under way with other non-profits that are interested in serving our community.
- *AHC Police Department Staffing* – Chief Cathy Farley is on board and has full authority to hire officers for the department. Applications are currently being accepted.

Administrator Initiating Item: Kevin G. Walthers	Final Disposition:
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**ACTION ITEM**

To: Board of Trustees	Date:
From: Superintendent/President	January 15, 2019
Subject: Audit Report for Year Ending June 30, 2018	Item Number: 7.A.
Strategic Goal: Goal IR2: To develop district financial resources adequate to support quality programs and services.	Enclosures: Page 1 of 1

**BACKGROUND**

Education Code 84040 requires the governing board of each community college provide an annual audit in accordance with the standards and procedures developed by the California Community College Board of Governors and the State of California Department of Finance.

The audit for the year ending June 30, 2018 is completed and is included under a separate cover. For the electronic version, see the following link <https://tinyurl.com/hancockaudit2018> .

Mr. Rauch from the audit firm Vavrinek, Trine, Day & Co. will present at the board meeting to provide background information and answer questions.

**FISCAL IMPACT**

The audit expense was budgeted in the fiscal year 2018-19 per contractual amount.

**RECOMMENDATION**

Staff recommends that the board of trustees accept the audit report for the year ending June 30, 2018, as presented.

Administrator Initiating Item: Eric D. Smith	Final Disposition:
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**ACTION ITEM**

To: Board of Trustees	Date:
From: Superintendent/President	January 15, 2019
Subject: Contract Update for Superintendent/President	Item Number: 7.A.
Strategic Goal: Goal IR2: To develop district financial resources adequate to support quality programs and services.	Enclosures: Page 1 of 5

**BACKGROUND**

Over the past two years the District has completed compensation agreements with classified staff, faculty, managers and executives. With all groups completed, the board of trustee will consider the compensation for the superintendent/president for the first time since July of 2015.

The attached contract provides a salary increase commensurate with the lowest percentage increase provided to senior management. As with senior management, the increase is effective January 1, 2019 and the superintendent/president will forgo the medical reimbursement account as of July 1, 2019.

**FISCAL IMPACT**

The incremental cost to the district is approximately \$7,625 for base salary, \$286 for longevity and \$15,104 for benefits, including retirement accounts; for a total cost of approximately \$23,105. Increases for the current year will be paid from existing budgets.

**RECOMMENDATION**

The president and vice president of the board of trustees recommend approval of the new contract.

Board Chair Initiated Item: Hilda Zacarias	Final Disposition:
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EMPLOYMENT AGREEMENT  
for  
SUPERINTENDENT/PRESIDENT

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
Santa Maria, CA

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This Agreement is made effective the 15th day of January, 2019, by and between the Governing Board of the Allan Hancock Joint Community College District ("District") or ("Board") and Dr. Kevin G. Walthers ("Superintendent/President").

1. Position. The Board hereby employs the Superintendent/President as a full-time Superintendent/ Superintendent/President, and Chief Executive Officer of the Allan Hancock Joint Community College District, and as the Secretary to the Board. The Superintendent/President is an academic employee as defined by Education Code section 87001(a), an educational administrator as defined by Education Code section 87002(b), and a management employee as defined by Government Code section 3540.1(g). This Agreement is entered into pursuant to and subject to Education Code section 7241.1 (d).
2. Term. The District hereby employs Superintendent/President through June 30, 2022 subject to the terms and conditions set forth below.
3. Salary. ~~Beginning January 1, 2019 The the Superintendent/President's annual salary shall be Two Hundred Twenty Three Thousand Two Hundred and Eighty Two dollars and twelve cents (\$223,282.12)~~ two hundred thirty eight thousand five hundred thirty-two and twenty-nine cents (\$238,532.29) per year. This amount includes ~~an Two Thousand Five Hundred Dollar (\$2,500.00)~~ annual doctoral stipend, ~~a 1.57% COLA for 2013-2014, a 3 percent COLA retroactive to January 1, 2015, a 0.85% COLA starting July 1, 2015, and a 1.02% COLA as of July 1, 2016.~~ The Superintendent/President's salary shall be payable in twelve (12) approximately equal monthly installments. The district will provide a non-salary related allowance of \$250 per month to partially offset miscellaneous expenses incurred on behalf of the district, and a \$500 per month non-salary related allowance for the purpose of establishing an annuity/life insurance policy. The superintendent/president may augment the policy at his own expense, ~~up to fifty percent of the District contribution. Upon successful completion of five years of service, the Board agrees to fully vest the policy for the superintendent/president. The District will contribute \$1500.00 per month to a 403(b) retirement account up until November 2016. Starting in November 2016, the District will contribute \$1917.00 per month ongoing. The contributions to this retirement account will become vested on August 12, 2017. As of January 1, 2019, the District will provide fully funded monthly contributions to a 403(b) and 457(k) retirement account.~~ The Board retains the right to adjust the Superintendent/President's annual salary during the term of this agreement. Such adjustments shall be in the sole discretion of the Board. A change in salary shall not constitute the creation of a new contract nor extend the termination date of this Agreement. In addition, the Superintendent/President shall be eligible for longevity increases of 1.25 percent annually beginning July 1, 2016. Longevity increases are not automatic, but are contingent upon a satisfactory performance evaluation as provided for in

Section 8, and the recommendation of the President of the Board of Trustees at the time the increase is effective.

4. Benefits. The Superintendent/President shall be entitled to the same District contribution towards medical, dental, vision, and life insurance benefits for the Superintendent/President, spouse, and dependents as approved by the Board for all 12-month District Managers. Such benefits shall be those currently provided or as subsequently modified from time to time by the Board. All benefits are subject to change at the discretion of the Board. Full pay sick leave of one day per month may be accumulated from year to year without limit.

5. Holidays and Vacation.

A. The Superintendent/President is entitled to those paid holidays to which Management employees are entitled, including those provided by law.

B. The Superintendent/President shall earn and accrue two days of paid vacation for each month of paid service or twenty-four (24) days of vacation for each year of service rendered. The Superintendent/President must take vacation time within the twelve months following the end of the fiscal year in which it is earned and cannot accrue additional paid vacation beyond this limitation unless approved in advance by the President of the Board of Trustees for reasons of business necessity. The fiscal year is that period beginning July 1 and ending June 30. Vacation must be scheduled at a time convenient to the Board and the operations of the District. If the Superintendent/President will be absent on vacation for more than ten working days, the Superintendent/President must request authorization from the Board of Trustees, or the Board President if that authority is delegated to the Board President by the Board. At time of separation, accumulated vacation, if any, will be paid at the current per diem rate of the Superintendent/President's salary; however, the Superintendent/President shall not receive a cash payment for more than a year's entitlement unless approved in advance by the President of the Board of Trustees for reasons of business necessity. If the Superintendent/President separates from district employment and he/she was granted and used vacation that was not yet earned at the time of termination, the district shall deduct from the Superintendent/President's severance check the full amount of salary paid for such unearned days of vacation. All requests for vacation must be submitted in writing to the Board President on the appropriate district form as much in advance as possible.

6. Management Hours. It is understood that the demands of the position of Superintendent/President will require more than eight (8) hours a day and/or forty (40) hours per workweek. The Superintendent/President is not entitled to receive overtime compensation.

7. Duties and Responsibilities. The Superintendent/President shall be the Chief Executive Officer of the District and the Secretary to the Board of Trustees. He shall have all powers and perform all duties of the position as provided by law, and as reflected in the job description for the Superintendent/President, subject to Board approval. The Superintendent/President shall use his/her best efforts and shall devote all time necessary to perform such duties.

8. Evaluation. The Superintendent/President shall be evaluated annually by the Board. This evaluation shall be based upon the Superintendent/President's goals and objectives as agreed by the Superintendent/President and the Board. The Superintendent/President shall inform the Board on or before April 1 of each year of the date of his/her evaluation and together the Superintendent/President and the Board shall agree on a timeline for the evaluation process. The evaluation shall be completed by June 30 of each year. The Board may evaluate the Superintendent/President at any time. A failure to timely or

properly evaluate the Superintendent/President shall not extend the term of this Agreement nor constitute a violation of this Agreement. A failure to evaluate the Superintendent/President shall not preclude the Board from giving notice of termination in accordance with Section 10 of this Agreement.

9. Reimbursement for Expenses and Credit Card.

A. The District may provide the Superintendent/President with a District credit card to be used solely for District business. The District shall pay any expenses incurred on the credit card on behalf of the Superintendent/President in accordance with applicable board policies, rules, regulations and applicable laws.

B. The Superintendent/President shall be reimbursed for all documented, actual and reasonable expenses incurred in attending meetings, conferences and other appropriate activities outside the District in the performance of the duties of the Superintendent/President. The District will reimburse such expenses in accordance with applicable Board policies, rules, regulations and applicable laws.

10. Termination.

A. Mutual Consent. This Agreement may be terminated by the mutual agreement of the parties at any time.

B. Termination by the Superintendent/President. The Superintendent/President may terminate this Agreement at any time upon at least ninety (90) calendar days written notice to the Board of Trustees.

C. Non-renewal of the Agreement by District. The Board may elect not to renew this Agreement for any reason by providing written notice to the Superintendent/President in accordance with Education Code section 72411 and other applicable law.

D. Termination Without Cause. Notwithstanding any other provision of law or of this Agreement, the Board may, unilaterally and without cause or a hearing, terminate this Agreement upon giving of thirty (30) days prior written notice. In consideration for exercise of this right, the District shall pay to Superintendent/President, for the remainder of the unexpired term of this contract or for twelve (12) months, whichever is less, a monthly sum equal to the Superintendent/President's gross monthly salary at the salary rate in effect during his last month of service. In addition, the Superintendent/President shall be entitled to receive health and welfare benefits at the same level of contribution as he is currently receiving from the district for an amount of time commensurate with the amount of time to which the Superintendent/President is entitled to the above described payment, or until the Superintendent/President finds other employment which provides health and welfare benefits, whichever occurs first. The parties agree that this paragraph is to be construed consistent with the requirements of Government Code section 53260 et seq. The parties further agree that this sum constitutes liquidated damages in recognition of the extreme difficulty of determining actual damages to the Superintendent/President resulting from the contract's termination without cause. These liquidated damages represent the Superintendent/President's sole and exclusive remedy for any and all damages, known or unknown, tort, contract or otherwise, flowing from the termination of Superintendent/President's employment with the District. The parties recognize that upon payment of the liquidated damages sum, the Superintendent/President will be foreclosed from bringing any action or proceeding of any nature against the District.

E. Termination for Cause. The Board may terminate the Superintendent/President's contract at any time for cause. If the Board determines, at its sole discretion, that there is cause to terminate the Superintendent Superintendent/President's employment with the District, it may do so upon thirty (30) days written notice to the Superintendent Superintendent/President. The notice shall include a statement of the cause for termination, and shall notify the Superintendent Superintendent/President that he may respond to the Board, orally or in writing, regarding the causes. Any such response shall be made to the Board not less than five, but not more than ten, days following the date of the notice. The parties agree that this provision shall constitute the sole due process to which the Superintendent/President is entitled, and that the Board's decision regarding dismissal will be determinative.

11. Venue. This Agreement and the rights and obligations of the parties shall be construed and enforced in accordance with the laws of the State of California. The parties agree that, in the event of litigation, venue shall be the appropriate court located in Santa Barbara County, California.

12. Agreement to Mediation. The parties agree that prior to initiation of any litigation over any dispute about matters covered by this Agreement, they will submit to voluntary mediation in accordance with procedures to be mutually agreed upon by them. Nothing herein shall be construed to relieve either party or be deemed to constitute a waiver by either party of their respective rights and obligations under Government Code Section 810 et seq.

I accept this offer of employment and agree to comply with the conditions set forth herein. I will fulfill all the duties of employment as Superintendent/President of the Allan Hancock Joint Community College District.

Superintendent/President:

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Board President:

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_