

SJC BOARD
WORK SESSION MINUTES
July 2, 2019

The work session was called to order at 5:16 p.m. with the following members present:

John C. Thompson, Chair
Byron Manning, Secretary
R. Shane Chance, Member
Evelyn B. Benny, Member
Joe Rasor, Member

Staff members attending: Toni Hopper Pendergrass, Ed DesPlas, Adrienne Forgette, Boomer Appleman, Sandy Gilpin, Ron Jernigan, Kerri Langoni, Roy Lytle, Jon Betz, John Boggs, Lorenzo Reyes, Gayle Dean, Michael Ottinger, Bradley Purdy, and Jeanne Notson, Board Recorder

Topics discussed were:

1. Questions on Board Agenda Items

None.

2. Presentation on Bond Defeasance (Power Point)

Mr. Evan Kist of RBC Equities presented on bond defeasance and provided an overview of the process of debt defeasance. Defeasance is a process that sets aside our debt service fund's surplus cash into an escrow account for eventual retirement of a portion of the outstanding debt. This transaction has the effect of reducing long term liabilities on the college's balance sheet, permits the debt service tax rate of .6 to remain consistent and increases the college's capacity for future general obligation bond issues.

3. Educational Technology Notes

The Board asked Mr. Kist several questions concerning educational technology notes (ETN). These are short-term debt notes that can be floated to fund fiber optics, software, CRM, etc. These do count against the overall bonding capacity, but do not require voter approval. It is an option for the College to explore.

4. Student Housing

The College is researching utilizing NMFA funds for student housing. The possible opening date for housing is 2021.

Meeting adjourned at 6:07 p.m.