

**BREVARD COMMUNITY COLLEGE
SPECIAL BOARD OF TRUSTEES
MEETING**

Mr. Richey inquired to what extent the College and its DSO entities would be impacted by the unavailability of the LGIP/SGA funds. Dr. Drake and Mr. Cherry stated that the immediate effects appear to be insubstantial.

Dr. Drake stated that through the FACC Council of Presidents, a procedure for requesting short-term coverage through the Office of Policy and Budget in Tallahassee is another option currently available to the College. These requests must be signed by the "head of the governing body" (the Chair of the BCC Board of Trustees, in this case) and must summarize the nature and urgency of the particular funding request. The signed petition should be sent as soon as possible to the Director of the Office of Policy and Budget with a copy to Chancellor Holcombe.

Mr. Cherry discussed that BlackRock Financial Management, the firm retained for evaluating and proposing solutions for resolving the SBA situation, has developed a survey to forecast critical funding needs of LGIP/SBA participants.

Mr. Cherry discussed coverage for the immediate week, and reported that the Bank of America has assured the College that the bank will honor disbursements made by the College through the close of business on Tuesday, December 4. The College has also received a proposal from the Bank of America for a short-term line of credit, between now and January 8, for a maximum of \$500,000. The bank will charge the College for attorney and bank fees, as well as a \$3,500 fixed fee. Dr. Drake and Mr. Billings reported that the response of the Bank of America to the College's near-term needs has not been optimal, in their opinion, from a customer service perspective, especially in

Mrs. Wilson made a motion to formally approve the transfer of \$377,000 from the Foundation. Mrs. Sansom seconded the motion. Those voting in favor of the motion: Richey, Sansom, Theriac, Wilson; opposed: none. Motion unanimously approved.

Mr. Nohrr added that the Glover Group may have, or may recommend, a secure short-term investment vehicle for the College to consider.

The trustees then discussed commercial banking options. Mr. Theriac suggested that the Board authorize the president to secure a bridge loan or line of credit. Mr. Nohrr, commenting that the financial institution may require Board approval, recommended that the Board authorize the president to secure a bridge loan or line of credit for a maximum of \$1 million. Mr. Cherry recommended that the amount be increased to a maximum of \$4.5 million in the event that SBA funds are not released reasonably soon.

Mrs. Wilson made a motion authorizing the president to negotiate and obtain a bridge loan not to exceed \$4.5 million at commercially reasonable rates. Mrs. Sansom seconded the motion. Those voting in favor of the motion: Richey, Sansom, Theriac, Wilson; opposed: none. Motion unanimously approved.


Trustees then discussed options for investing excess funds. Mr. Richey strongly recommended that such investments should be diversified and fully insured. Dr. Drake stated that he would appreciate receiving a resolution from the trustees enabling him as president to seek qualified counsel for the development of a short-term, diversified, fully insured investment plan for the Board's eventual review and approval. Mr. Richey requested that prior to the next regularly scheduled meeting, the Board of Trustees receive documentation from the administration outlining in appropriate detail the investments of the College.

Mr. Ross requested clarification from the trustees concerning the disposition of the approximate \$29 million currently invested with the SBA. The consensus of the Board was that the president is being given the authority to develop and recommend an investment strategy for these funds.

Dr Drake commended Interim Vice President Frank Billings and Associate Vice President Mark Cherry for their diligence and thoroughness in preparing the information which has been presented to the Board during this special meeting.

IV. ADJOURNMENT:

There being no further business to be brought before the Board, the meeting adjourned at 6:15 p.m.

APPROVED: 

Chair, District Board of Trustees

ATTESTED: 

Secretary, District Board of Trustees