Transcript Board of Trustees Retreat, March 12. 2019

https://youtu.be/R3bCYYjt5q0?t=13808

3:50:08 **Bill Johnson** - This is a year away, so again, this is a – the assumption is is that we are going to have to spend around – um - $20 million in capital that we're saying shouldn't come out of the general fund, right? That we really need to find other ways to fund that. One of the ways to fund that is through a debt issuance, and then finding some extra revenue –whether that be through a student fee or whether that be through a millage rate, some extra revenue to help to fund that debt issuance. So the model – whether it's – I am indifferent for this model's sake, whether it's a student fee or a millage rate, but for us to be able to fund it, I think kind of the key issue is that we don't think we have capacity in general fund reserves to write a check for $20 million dollars.

3:50:57 **David DeVarti** – Plus, don't we - won't we get a better bond rate with general obligation, voter-approved bond than we will with fee supported payment plan?

3:51:08 **Bill Johnson** – I think either way we are strong.

3:51:12 **David DeVarti** - Well I think we are, either way, but I think when we go to issue the bonds, the people buying them will be – would – we'll get a lower rate on the bonds with the general obligation.

3:51:26 **Bill Johnson** - I think that either way -

3:51:27 - **David DeVarti** – I mean, this is a fact.

3:51:28 **Bill Johnson** – Yeah, I think, either way, given our track record around credit hours and the low tuition rates that we have, I think that the credit agencies would still view that a modest increase in rates would not have a significant impact on credit hours. That is my own view of it. That's – I might be wrong. And – um – most debt issues that are done by community colleges are backed by the state rate, so you end up getting the state rating for your credit rating anyway, so –

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