





**WHCC Foundation  
Board of Directors**

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**WEST HILLS**  
COMMUNITY COLLEGE FOUNDATION

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**MINUTES OF THE MEETING OF THE INVESTMENT COMMITTEE**

**August 20, 2014**

Harris Ranch Inn Belmont Room



**CALL TO ORDER**

Community director and committee chair Ernie Drewry called the meeting of the Investment and Finance Committee to order at 9:17 a.m. on August 20, 2014, at Harris Ranch.

Investment and Finance Committee present:

Ken Stoppenbrink, Staff Director and WHCCD Chief Financial Officer  
Ann Stone, Community Director, Foundation Board President  
Nina Oxborrow, Trustee Director  
Ernest Drewry, Community Director and Chief Financial Officer, Foundation

Investment and Finance Committee absent:

Don Warkentin, Staff Director  
David Silveira, Community Director

Staff present:

Frances Squire, Executive Director  
Olga Keough, Accountant Technician

Others present:

David Ivarie, Morgan Stanley Advisor

There were no guests.

**PUBLIC COMMENTS**

There were no public comments.

## **COMMITTEE REPORTS**

David Ivarie presented two reports – Consolidated Quarterly Portfolio Summary for the 2<sup>nd</sup> Quarter 2014 and Fixed Income Only Report for the 2<sup>nd</sup> Quarter 2014. The Consolidated report has a beginning value of \$1,875,710 on April 1<sup>st</sup>, 2014. Total Return (included income and market change) was \$95,601. Capital additions for the 2<sup>nd</sup> quarter were \$304,000 and capital withdrawals \$195,317. There was realized gain of \$6,157. Ending value as of June 30<sup>th</sup>, 2014 was \$2,078,775. Total return for the 2<sup>nd</sup> quarter was 4.72% and year-to-date return was 8.05%. Actual income return was 2.76% and targeted return is \$5%.

Portfolio Asset Allocation was 1% cash, 43% Fixed Income and 56% Equity. Since the last report equity percentage got bigger and fixed income percentage got smaller.

Credit Allocation has only AAA, AA and A-rated securities.

The Fixed Income Only Report reflects the Morgan Stanley investments only. The Wells Fargo investments will be included in the report in the next quarter. Beginning value of portfolio on April 1, 2014, was \$566,957. Total Return (included income and market change) was \$19,834. There were no capital additions or capital withdrawals during the second quarter. There was no realized gain. Ending value as of June 30<sup>th</sup>, 2014, was \$586,790. Total return for the second quarter was 3.5% and year-to-date return was 6.81%. Actual income return was 2.56% and targeted return is \$5%.

Portfolio Asset Allocation was 1% cash and 99% Fixed Income.

Credit Allocation has only AAA, AA and A-rated securities.

Nina Oxborrow asked why the June 30<sup>th</sup> market value on the first page is different from the market value on the second page. Dave Ivarie said it is due to accrued interest on municipal bonds. Accrued interest is interest that is not paid, but accrued and it changes cost of bonds.

Nina Oxborrow suggested including Portfolio Reports with Investment Committee minutes.

Ken Stoppenbrink asked if there is enough cash flow to prevent Foundation from liquidating its investments before maturity date.

David Ivarie said they always can adjust cash flows to have more cash on hand if needed.

## **ACTION ITEMS**

On a motion by Ernie Drewry, seconded by Nina Oxborrow, the Minutes of the January 22, 2014, Investment Committee meeting were unanimously approved.

### **Adjournment**

**9:54 am**

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