



**WHCC Foundation
Board of Directors**

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WEST HILLS
COMMUNITY COLLEGE FOUNDATION

MINUTES OF THE MEETING OF THE INVESTMENT COMMITTEE

August 19, 2015

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 9:12 a.m. on August 19, 2015, at Harris Ranch.

Investment and Finance Committee present:

Ann Stone, Community Director, Foundation Board President
Ernest Drewry, Community Director and Chief Financial Officer, Foundation
Ken Stoppenbrink, Staff Director and WHCCD Chief Financial Officer
David Silveira, Community Director
Don Warkentin, Staff Director

Investment and Finance Committee absent:

Nina Oxborrow, Trustee Director

Staff present:

Frances Squire, Executive Director
Olga Keough, Accountant Technician

Others present:

David Ivarie, Morgan Stanley Advisor
Mike Urner, Wells Fargo Advisor
Carole Goldsmith, Staff Director

There were no guests.

PUBLIC COMMENTS

There were no public comments.

COMMITTEE REPORTS

David Ivarie presented the 2nd Quarter 2015 Morgan Stanley Fixed Income Only Quarterly Portfolio Summary Report. The beginning value on 3/31/15 was \$653,707. Portfolio return was negative \$10,049. Portfolio value at the end of the quarter was \$643,658. Total return for the 2nd quarter was negative 1.54%. Total Portfolio Income since inception was \$22,603. Portfolio additions since inception were \$409,266. Portfolio withdrawals since inception were \$32,902.

Dave noted that this is the last time you will see the current reporting. Three accounts have been created to allow for clearer reporting—equities, bonds and a cash account. This should allow for a more clear picture of investment returns.

Portfolio income for 2014 was \$7,793. Total return since inception was \$49,203.

Mike Urner said that the interest rate for 10-year Treasury bills went up in the last quarter. Fed is probably going to raise the interest rate.

Dave Ivarie said that there were two major things in the last quarter – Greek default and oil prices that went down. That drove the market.

Mike Urner said that Foundation focuses on credit rating. His prediction is that interest rates are not going to spike. But Foundation rates are only partially tied to the fed rates. If Fed increases interest rates it would not affect bond rates much.

Dave Ivarie said that house prices are rising, but the whole global system is in low gear. It was a challenging quarter for capital appreciation, but yield was good. Our weakness is in energy sector.

David Silviera asked if he could get the report a week before the meeting.

David Ivarie said he could make it ready in 5 business days before the meeting.

David Silviera asked about the number for the bond return.

Mike Urner said it was 2.42%.

David Silviera asked if the target is 5% and on \$2 million it is \$100,000 – are we getting it?

Mike Urner said that we got \$77,000 so far and we are on track, but market has volatility.

A discussion happened about how much return is needed for scholarships.

Don Warkentin said that many scholarships rely on donors to raise money.

Mike Urner began presentation of the Consolidate report for the 2nd quarter of 2015. Total return and income for 2013 was \$65,051.

David Silviera asked the board if we want to increase risk to get more than 5%.

Frances Squire said that some colleges report returns of 22% but they are taking much greater risks than our investment guidelines allow.

David Silviera asked if we could use the existing parameters to increase earnings to fund scholarships. Mike Urner said we can migrate toward a high dividend portfolio under current guidelines.

ACTION ITEMS

On a motion by Don Warkentin, seconded by Carole Goldsmith, Minutes of the May 13, 2015, Investment Committee meeting were unanimously approved.

Adjournment

10:06 am

ok