

**WEST HILLS COMMUNITY COLLEGE FOUNDATION
9900 Cody Street
Coalinga, Ca 93210**

MINUTES OF THE INVESTMENT COMMITTEE MEETING

**WEST HILLS COMMUNITY COLLEGE FOUNDATION INVESTMENT MEETING
10:00 a.m.**

May 7, 2009

**District Office Conference Room
9900 Cody Street
Coalinga, CA 93210**

Members present:

Ernest Drewry, President
Nina Oxborrow, Director
Frank Gornick, Director

Members absent:

Marc Scott, CPA, Director

Others present:

Rick Post, Interim Executive Director, West Hills Community College Foundation
Dick Womack, Retired Football Coach, West Hills Community College Coalinga
Mark Gritton, Athletic Director, West Hills Community College Coalinga
Richard Larson, Director of Farm of the Future, West Hills Community College Coalinga
Bruce Hunt, Rodeo Instructor, West Hills Community College Coalinga
Monica Santino, Foundation Secretary

1. Call to Order/ Open Session

President Ernest Drewry called the meeting to order at 10:05 a.m.

• **Introduction of Guests**

Those in attendance made self-introductions.

• **Public Comments**

There were no public comments on non-agenda items.

2. Review and consideration of removal of 8% administration fee from constituent accounts with \$10,000 or less.

Mr. Larson, Director of the Farm of the Future, stated he supports the removal of the 8% from the club accounts. Mr. Larson also stated that their Pistachio account had \$5,600 and since the account is in the investment fund, it has lost \$900.00 in just a few short months. They were unable to plant trees due to the loss in their account.

Mr. Hunt, Rodeo Instructor, stated that the boosters support the removal of the 8% from the club accounts.

Mr. Gritton, Athletic Director, stated that fundraising, student giving and instructor giving is down. They have lost donations in the Athletic department because of the 8% fee.

Rick Post, Interim Executive Director, stated that he understood how the directors, students and instructors feel. On July 1, 2009, the Foundation will be implementing Datatel and the Foundation will no longer be writing checks. Since the inception of the 8%, the accounts have been billed \$19,000. If the accounts were in a Money Market account, the accounts would have earned 3%. The 8% will continue on accounts over \$10,000. With the removal of the 8% fee there will be an incentive in the future for the clubs, students and faculty to fundraise. The mission of the foundation should not be to make money off the students or faculty. If the Board removes, the 8% from the club accounts there will be other opportunities to make up the 8%. We at the foundation care about our students, faculty & instructors and we want this to be a successful experience.

Director Nina Oxborrow stated that she wanted to know what brought Dr. Gornick to his choice in March 2008 regarding the 8%.

Staff Director Gornick stated that at the time the 8% fee was implemented it was reasonable. However, circumstances have changed. The Foundation will be introducing efficiencies that will reduce the staff time spent on writing checks among other things. Currently the District financially supports the Foundation by contributing \$300,000 for operating expenses, which is reasonable. When July 1, 2009 comes and the Foundation implements Datatel, there will be less check writing and the accounts will be monitored by the Business office. It is time to give the constituents, including students, faculty and clubs a break from the 8% administrative fee.

Director Nina Oxborrow, questioned why the Foundation takes care of the financials for the various clubs. She would like to change the way the structure is of the accounting for the Foundation.

President Drewry stated that he feels that people are making issues out of the 8% because their accounts are losing money at this point.

Staff Director Gornick stated President Warkentin supports removing the 8% and so does his staff. At the recent Leadership retreat, Interim Director of the Foundation Rick Post gave a report about the 8% and people were happy about what the Foundation was choosing to do.

President Ernest Drewry called for a motion to approve the recommendation to remove the 8% administration fee from constituent accounts with \$10,000 or less. Moved by Director Nina Oxborrow, Seconded by Staff Director Frank Gornick, Motion carried unanimously.

3. Review and consideration of transferring small constituent accounts (less than \$10,000) from investment fund to money market to other low or no risk account.

Mr. Hunt, Rodeo Instructor, stated that he did not know that his accounts were involved in the investment until they were affected.

Mr. Gritton, Athletic Director, stated that if the recommendation of transferring accounts passes things would be a lot easier for everyone.

Interim Director Rick Post stated that President Don Warkentin supports the transfer of small constituent accounts to a money market or other no risk account. President Warkentin asked Post to distribute some examples of several accounts to illustrate how certain accounts have suffered losses since they have been in the investment accounts.

Post stated that if the recommendation were approved, the Foundation would be moving \$205,000 from the UBS investment account to a no risk account, such as a Money Market. Post further stated that as we move the Foundation forward, we need to expand scholarships and endowments. There will be an opportunity to have UBS Vice President James Giordano come back and explain the changes that have been made, the performance of the accounts and how they will affect the Foundation. We want to move the investment money into a low risk Money Market account. Post also stated the Foundation he worked for before coming to West Hills covered all losses any investment accounts realized thus protecting the original amount invested. The Foundation did not pass the losses or gains on to their constituents because it was able to endow everything using the Foundation funds available. Post made it clear that if the recommendation is passed, the smaller West Hills Community College Foundation accounts will not realize any losses but will also not receive any gains either. Any interest earned on these accounts will remain with the Foundation to cover any administrative expenses associated with servicing these accounts, such as processing purchase orders. The minimum investment to open a Money Market account at UBS is \$100,000. This will not be an issue because we have over \$200,000 to invest. Once the recommendation is approved, we will make everything clear to all of the constituents within the District.

Mr. Gritton, Athletic Director asked, "Can we roll small accounts into the investment".

Staff Director Gornick stated, "If you had \$10,000 or more maybe you can do so".

President Drewry stated, "You are defeating the purpose of today. We can look at our options another day".

Interim Executive Director Post stated that he had no other comments at this time regarding the proposed recommendation.

President Ernest Drewry called for a motion to approve the recommendation to transfer small constituent accounts (less than \$10,000) from the investment fund to a money market or other low or no risk account. Moved by Director Nina Oxborrow, Seconded by Staff Director Frank Gornick. Motion carried unanimously.

4. Investment Committee Reports/Comments/Requests and Announcements

Interim Executive Director Post stated that he enjoys working with the Foundation, students and faculty. He also stated that he really appreciates all the hard work of the Investment Committee and their passage of the two recommendations.

5. Adjournment

President Ernest Drewry adjourned the meeting at 10:50 a.m.

Respectfully submitted,

Monica Santino, Foundation Secretary