



# WEST HILLS

COMMUNITY COLLEGE FOUNDATION

WHCC Foundation  
Board of Directors  
9900 Cody Street  
Coalinga, CA 93210  
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## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

May 13, 2015



### CALL TO ORDER

CFO Ernie Drewry called the meeting of the Board of Directors to order at 10:40 a.m. Frank Gornick led the board members and audience in the flag salute.

#### Board members present:

Ernie Drewry, CFO  
Don Warkentin, Staff Director  
Steve Cantu, Trustee Director  
Frank Gornick, Staff Director  
Carole Goldsmith, Staff Director  
Phil Larson, Community Director  
Laura Mendes-Moore, Secretary  
Nina Oxborrow, Trustee Director  
David Silveira, Community Director  
Ken Stoppenbrink, Staff Director  
Stu Van Horn, Staff Director

#### Board members absent:

Ann Stone, President  
Katie Delano, Vice President  
Fred Harrell, Community Director  
William Bourdeau, Community Director  
Jeff Garcia, Community Director  
Sharon Gordon, Community Director

#### Others present:

Frances Squire, Executive Director  
Olga Keough, Accounting Technician  
David Ivarie, Morgan Stanley Advisor  
Mike Urner, Wells Fargo Advisor

### Introduction of Guests

Investment advisors David Ivarie, Morgan Stanley, and Mike Urner, Wells Fargo were the guests.

### Public Comments

There were no public comments.

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### Action Items

The following agenda items were approved:

- On a motion by Steve Cantu, with a second by Nina Oxborrow, the minutes of the February 18, 2015, board meeting were unanimously approved as submitted.
- On a motion by Steve Cantu, with a second by Ken Stoppenbrink, change to *Statement of Investment Policy, Objectives and Guidelines* was approved and carried unanimously.
- On a motion by Steve Cantu, with a second by Nina Oxborrow, the *Resolution Authorizing Segmentation of Investment Accounts* was unanimously approved.

### Committee Reports

Investment advisor Mike Urner, Wells Fargo, did a presentation on foundation portfolio performance for the first quarter of 2015.

The beginning value on 1/1/15 was \$2,025,413. Portfolio income was \$13,309, Capital Additions were \$459,000 and Capital Withdrawals were \$336,093. Realized gain for the period was \$12,391. Portfolio value was \$2,172,026 on 3/31/15. Total return for the 1st quarter was 0.73%. Actual income return was 3.51% and targeted return is 5%. Total Portfolio Income for 2015 was \$19,834. Since the portfolio started in 2013 there was a negative return of 3.45% in 2013 and positive return of 6.96% in 2014. Even with the negative return in 2013 there was \$65,051 brought into the portfolio that year.

Laura Mendes-Moore asked about the difference between Total Income and Realized Gains.

Mike Urner said that Total Income includes Interest and Dividends, and Realized Gains include gains from selling investment for profit.

David Silvieira asked if the 5% Targeted Portfolio Return should be changed.

Ken Stoppenbrink suggested reviewing it annually.

Laura Mendes-Moore asked if Total Portfolio Return of \$19,834 included Total Income of \$13,309 and why those two numbers were different.

Mike Urner said that Total Portfolio Return included Total Income and accrued interest.

Dave Ivarie gave an example of bonds that pay interest twice a year and if you sell them a month after the interest was paid you would have accrued interest for a month.

Mike Urner continued with the report. Portfolio asset allocation consists of 3% Cash, 47% Fixed income and 50% Equity. There were no changes in Portfolio Credit Allocation.

On page 4 – Portfolio Credit Allocation – shows credit rating. All securities are high quality. There are no junk securities in the portfolio.

Mike Urner presented the second report “Morgan Stanley Fixed Income Only” for the 1<sup>st</sup> quarter. Next time this report will be consolidated with Wells Fargo and will include bonds from both accounts. The beginning value of the portfolio on 1/1/15 was \$640,095. Total Return for the quarter was \$13,611. There were no additions or withdrawals. Total return for the quarter was 2.13%. Annual projected return is 2.38% and \$15,532 is projected annual income. Total portfolio return since inception of management on 1/6/14 is \$59,253.

Last year was the best performance year for bonds. This year Mike is not as optimistic. There is a possibility that interest rate will go up.

Dave Ivarie said that two major issues are Greece and the Fed.

Mike Urner said there are countries with interest rate lower than 1%.

Page 2 - Portfolio asset allocation is all fixed assets, which split roughly 1/3 in Treasury securities, 1/3 in CDs and 1/3 in Municipal bonds. Municipal bonds are good to have. Fed might use them as collateral and if so then the interest rate will go nowhere.

Page 3 - Credit allocation is all high quality.

**West Hills College Coalinga and North District Center, Firebaugh – Dr. Carole Goldsmith, President**

Carole announced that graduation is on May 21<sup>st</sup> at 6:30 pm. 180 students will participate and the event will be streamed live on the District’s web page.

Last night she said there was a football team ring celebration. Guest speakers included former Fresno State football coach Pat Hill, Dwayne Wright who went from West Hills to play at Fresno State and in the NFL and Walt Johnson, coach of the 1964 team, which held the winningest record in WHCC history until this year.

On March 21 WHCC hosted the Metric Century cycling event in Coalinga. It raised more than \$5,000 for President’s Scholars Program. Coalinga will host it again next year and they hope to have more riders. It could become a training ground for the Climb to Kaiser event, which is hosted by the Fresno Cycling Club, a co-sponsor of our event.

Carole mentioned that local funding for the NDC building is in place. Program plans include a teacher’s pipeline program in Firebaugh. She said that WHC Coalinga offers classes in Avenal and Mendota.

**West Hills College Lemoore – Mr. Don Warkentin, President**

Don Warkentin said that Lemoore campus has a new police officer, Jonathan Giles, who started working on May 4<sup>th</sup>.

WHC Lemoore held its Student Honors Reception on May 7<sup>th</sup> with a great turnout. WHCL presented over \$200,000 in scholarships to 61 incoming, continuing and transferring students. Spirit of the Eagle award was awarded to Nick and Edna Ivans and Gary Sedgwick. Graduation is May 21<sup>st</sup>.

Eagle Dayz was on April 24<sup>th</sup> with over 500 students from feeder high schools attending. Students were able to register for a full year of classes. Average amount of units per student is 14.

Lemoore is having a ring ceremony for 3 All American Soccer players. One of them was the national scholar athlete of the year.

Don was hopeful that the bid for the Student Union will be approved at the next Board meeting. Dr. Gornick mentioned that bids last year were \$6 million more than what was budgeted for the project, which was why construction was delayed.

**Chancellor's Report – Dr. Frank Gornick, Chancellor**

Dr. Frank Gornick said that WHCCD was awarded a \$2.5 million innovation award, primary because of Registration 365.

The colleges are looking K-12 population, which is not growing. We are encouraging students to think differently and register for more units. Adult education is a new focus.

Stu Van Horn added that Strategic Plan discussion will take place tomorrow.

**Executive Director's Report – Frances Squire, Executive Director**

Frances said that the President's Scholars numbers continue to grow with 180 expected in the fall.

Work on the ag endowment and endowed funding for President's Scholars Program continues with a number of donor meetings scheduled.

Valley PBS Channel 18 Valley's Gold crew was at Farm of the Future for a show that will air in the fall.

Frances talked about the continued quest to reduce golf tournament costs. Discussion ensued regarding moving to a 9 a.m. shotgun start with lunch following the tournament. Frances will check community calendars and with major supporters of the tournament before confirming a June date and morning start time.

**Announcements and Presentations**

**Adjournment**

There being no further business before the Board of Directors, the meeting was adjourned at 12:16 pm.

ok

/s/ Laura Mendes-Moore  
Laura Mendes-Moore  
Secretary, Board of Directors