



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

November 12, 2014

Harris Ranch Inn Belmont Room



CALL TO ORDER

President Ann Stone called the meeting of the Board of Directors to order at 10:07 a.m. and Ernie Drewry led the board members and audience in the flag salute.

Board members present:

Ann Stone, President
Katie Delano, Vice President
Ernie Drewry, CFO
Laura Mendes-Moore, Secretary
William Bourdeau, Community Director
Steve Cantu, Trustee Director
Jeff Garcia, Community Director
Carole Goldsmith, Staff Director
Nina Oxborrow, Trustee Director
Fred Harrell, Community Director
David Silveira, Community Director
Don Warkentin, Staff Director
Sharon Gordon, Community Director (joined at 10:19 am)

Board members absent:

Ken Stoppenbrink, Staff Director
Frank Gornick, Staff Director

Staff present:

Frances Squire, Executive Director
Olga Keough, Accounting Technician

Others present:

David Ivarie, Morgan Stanley Advisor
Mike Urner, Wells Fargo Advisor

Introduction of Guests

There were no guests.

Public Comments

There were no public comments.

COMMITTEE REPORTS

Mike Urner presented two reports – Consolidated Quarterly Portfolio Summary for the 3rd Quarter 2014 and Fixed Income Only Report for the 3rd Quarter 2014. The Consolidated report has a beginning value of \$2,078,775 on June 1st, 2014. Total Return (included income and market change) was \$41,593. Capital additions for the 3rd quarter were \$452,724 and capital withdrawals \$374,749. There was realized gain of \$312. Ending value as of September 30th, 2014 was \$2,127,042. Total return for the 3rd quarter was 1.51% and year-to-date return was 7.03%. Actual income return was 4.03% and targeted return is \$5%.

Portfolio Asset Allocation was 1% cash, 43% Fixed Income and 56% Equity. We are earning income on all our investments. Projected income for this year is \$78,782. Since portfolio inception in January 2013, \$121,672 was added as income. Foundation is a cash flow intense entity. \$2.4 million went out since inception.

Frances added that we sent wire payments overseas on behalf of USACCC. Phil Larson asked about USACCC and Frances explained that Foundation is a fiscal agent for USACCC for an 8% management fee.

Jeff Garcia asked if endowed funds are pooled with other investments.

Dave Ivarie said yes. A discussion ensued with Dave explaining that to buy separate bonds for endowed funds the return rate is low. Currently for 5-year bonds it's about 2%.

Jeff Garcia said that perception is endowed funds get return in perpetuity.

Mike Urner said that buying bonds for maturity has a problem of low return.

Frances said that our Investment policy is very conservative with the goal providing opportunities for students. We manage about 200 accounts and they all invested jointly. There were a couple times that endowed accounts didn't accumulate enough income to pay scholarships and in those cases Frances had to contact the donors and asked them for additional funds.

Laura Mendes-Moore said that she had to add money twice, but usually there is enough money to pay the scholarship.

Credit Allocation has only AAA, AA and A-rated securities. There are two ratings and we show the lowest rating. We have some buffer in case bonds get downgraded.

Don Warkentin gave an update on MAA funds. He and Frank Gornick recently went to Sacramento to meet with the MAA Director. Community colleges have to go by K-12 rules, but school districts don't have financial aid, Advisors and child development centers. A proposal will be submitted to explain how community colleges are different from K-12 system. We should see some MAA money coming next year. They are talking about giving us 40%. There is a fee we have to pay to Medical Billing Technology for their services. Recently we transferred from Fresno to Madera County.

William Bourdeau and Jeff Garcia asked about the cost associated with MAA money.

Don Warkentin said it is about \$18,000 per year that we pay to Medical Billing Technology. He also explained how staff time is calculated to be reimbursed by MAA funds. Colleges receive 50% of staff time.

Carole Goldsmith added that students get sick and the colleges lose them as students, so we are interested in them getting health insurance and we do the work educating them about available health insurance anyway. We bill MAA for staff hours.

Ann Stone and William Bourdeau left at 11:01 pm.

Fred Harrell asked if staff gets MAA training.

Don Warkentin said yes, and we get reimbursed for it.

ACTION ITEMS

Item 3 A: The minutes of the August 20, 2014, meeting and warrants were approved on a motion by Steve Cantu, seconded by Nina Oxborrow with no corrections.

Item 3 B: Preliminary Audit report was approved on a motion by Ernie Drewry, seconded by Don Warkentin. Frances Squire explained about the \$50,000 prior period adjustment in the Audit report. She pointed out that it was related to the USACCC deposits, \$10,000 from each college. The amount was covered by Foundation Operational fund. We were able to move about \$23,000 from Traffic School account to Foundation Operational fund because we no longer have traffic school. David Silveira asked why Current Assets on page 4 of the Audit Report do not match Total Portfolio Value of the Consolidated report. Olga Keough said that the Audit Report includes the Osher Foundation funds and Union Bank funds, while the Consolidated report has Morgan Stanley and Wells Fargo funds only.

Items 3 C: Re-election of Foundation Community Directors Katie Delano, Sharon Gordon and David Silveira were approved on a motion by Ernie Drewry, seconded by Steve Cantu.

REPORTS FROM COLLEGES AND DISTRICT

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

Dr. Goldsmith started her report talking about the importance of agriculture for the Californian economy. Agriculture has rich history and great wealth. Farming will change. Young people don't know about agriculture and we should reeducate students and public. Ag companies need qualified staff.

Dr. Goldsmith encourages faculty to use the Farm facilities. Faculty meetings take place at the farm now. On October 25th the FOF held the Inaugural Annual Harvest Day. Students sold 243 pumpkins and 27 melons. 383 children participated in corn maze and hay ride. The same day there was a rodeo barrel racing event. About 100 women participated in it. Next rodeo event will be on November 15th. WHCC football team has been undefeated this season. On Saturday, November 15th there will be a bus for students and public to go to Salinas to watch a football game against Hartnell Community College.

Dr. Goldsmith mentioned that she and Sandy McGlothlin have been meeting with feeder high schools to review student success data and conduct outreach. On November 13th WHCC will host a Fresno State Doctorial Program meeting. It will be video streamed to Lemoore campus.

Dr. Goldsmith thanked the board their work and support on Measure T.

West Hills College Lemoore – Mr. Don Warkentin thanked the board for support on Measure T, which will help to update technology and infrastructure. He said that WHCL is one of 12 California Achieving the Dream colleges. Achieving the Dream is a reform movement for student success in higher education. Coaches from Arkansas and Southern California helped WHCL identify by ethnicity students who are struggling in math and English. The goal is to increase graduation rate by 50% or more in a year or two.

Mr. Warkentin and Dr. Gornick had a meeting with high schools superintendents and counselors. Individual high school reports on 2013 and 2014 graduates will be made and presented to the board. Mr. Warkentin said that the men's soccer team is number 3 in the state and number 12 in the nation. Women's basketball team beat Allan Hancock College 73 to 45.

Mr. Warkentin invited the board to attend Thanksgiving luncheon on November 25 at WHCL.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned at 11:56 a.m.

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