

APPROVED

**MISSION-WEST VALLEY LAND CORPORATION**

Board of Directors  
Regular Meeting  
Minutes  
March 18, 2014

A regular meeting of the Board of Directors of the Mission-West Valley Land Corporation was called to order by President Walsh at 5:00 p.m. in the Board Room, West Valley College, Saratoga, CA

**Directors present:** Heimlich, Lucas, Owens, Polk, Walsh, Watanabe (arrived at 5:02pm), and Grey (arrived 5:10pm)  
Ex-Officio Schmitt

**Directors absent:** Ex-Officio's Davis, and Peck

**Others present:** Maduli

**1. Call to order/Roll Call**

**2. Approval of the order of the agenda**

The order of the agenda was approved as presented. (Owens/Polk, 5/0/0, with Grey and Watanabe absent and not voting).

**3. Oral communications from the public on items not listed elsewhere on the agenda**

None.

**4. Approval of the minutes of the meeting of February 18, 2014**

The February 18, 2014, meeting minutes were approved as presented. (Heimlich/Owens, 6/0/0, with Grey absent and not voting).

Mr. Lucas, referring to the last paragraph of item #13, stated that he was not suggesting that the Director's conduct their own classification studies. He did not ask for the minutes to be amended.

**5. Officers' Report**

Mr. Maduli reported that the LAIF account has been updated to reflect that only he and the Land Corporation President can make transfers from the LAIF

account to the Land Corporation's checking account. The Land Corporation's monies are kept in the LAIF account, since it is an interest-bearing account, and are transferred to the regular checking account when needed. He also reported that the RFP for an Asset Management Consultant will be issued the week of March 24. It is anticipated that a selection will be made and presented for approval at the June meeting. Mr. Walsh asked if the RFP was presented to the Land Corporation for review prior to it being issued. Mr. Maduli responded that it was not presented because doing so would make it a public document. Mr. Walsh informed the Director's that they should contact Mr. Maduli's office if they would like to review the document. Mr. Maduli will present the RFP timeline at the next meeting and also mentioned that an interview committee will need to be established.

**6. Review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of February 28, 2014**

The February 28, 2014, Statement of Revenues, Expenditures and Net Assets was accepted as presented. (Owens/Polk, 7/0/0)

Mr. Maduli informed the Board that the FY 11/12 Endowment Fund transfer of \$385,140 was never made. At the time of the request, the Board of Directors discussed the issue but never acted upon it. An action item for the transfer of funds will be placed on the April agenda.

**7. Discussion of Land Corporation Allocation of Funds Policy**

Ms. Grey started the discussion by stating that the Board has deviated from the policy for the last several years in order to provide funds to bridge the District's budget shortfall. Mr. Maduli provided background information on the subject. He then reviewed the policy and noted that the District has not funded the Innovation fund (item I.H.) since at least 2009, and has not provided funding for special projects (item II) since FY 10/11 due to budget shortfalls. He believes special projects should still be funded and that the program could resume since he does not intend to ask the Land Corporation for additional funds to bridge the current shortfall. Ms. Grey stated that she would also like to see special projects funded and that she'd prefer to follow the procedures currently in place (all projects reviewed and approved at one time) rather than review individual requests forwarded throughout the year.

Chancellor Schmitt stated that he would like to see the following policy amendments:

- Fully fund the Innovation Fund.

- Slightly broaden the definition for II.A to include consultants, among other things.
- Move to quarterly review for special projects funding rather than an annual review. He noted that some projects are not known until after the annual allocations are already made.
- Would like projects to be endorsed by the Chancellor and Vice Chancellor before being presented to the Land Corp for approval.
- Establish discretionary funds for the Chancellor and college Presidents.

Mr. Heimlich stated that he would like rolling periods for considering funding request rather than an annual approval. He would also like to see a subcommittee established to develop categories for funding and funding criteria, and believes that requestor must identify what would be gained from funding the project, i.e., energy/water savings, increase in enrollment, student success, assisting needing students, etc. There needs to be a way to determine the metric and value of the request and the Land Corporation needs to be transparent about how it will determine what should be funded.

Mr. Owens said that he believes the Advancement Foundation should get some money for its Endowment fund, but questions the amount, which he believes should not be 10% of the gross annual ground lease revenue as currently identified. He added that little, if any, financial information is provided by the Advancement Foundation that identifies how much money has been spent and on what. He believes the money could be better spent elsewhere. Mr. Heimlich agreed and added that student needs must be considered in a broader sense than just scholarships, and that there needs to be a better understanding of student needs, which can then be translated into student success.

Mr. Polk stated that he would like to see the Land Corporation fund more facilities improvements, especially capital improvements and maintenance which are not covered by bond funds. He specifically identified the need to improve the athletic facilities at Mission College.

Ms. Grey said that she agreed with previous comments, and especially that project requests must clearly identify the expected outcome, which must be explicit. She also commented that she thinks the Foundation believes it has a funding and expenditure process, but that it has not been clearly communicated to the Land Corporation. Mr. Lucas believes that the Land Corporation must clearly identify its expectations of the Foundation.

Mr. Walsh expressed his concern about giving the Foundation large amounts of money and not having the Foundation accountable to the Land Corporation. He would like to know what is being done with the funds and how they are

benefiting students. Mr. Walsh stated that he would like Land Corporation funds to better impact student success and provide for innovative programs. That being said, he also indicated that Land Corporation funds have been very helpful to the District during the State budget crisis and that keeping a balance for such situations is good practice.

Mr. Walsh appointed the following Director's to the ad hoc committee to review the Land Corporation Allocation of Funds Policy:

Mr. Heimlich – Chair  
Ms. Grey  
Mr. Owens

**8. Director's Reports**

None.

**9. Adjournment**

Meeting adjourned at 5:57pm.