

**MISSION-WEST VALLEY LAND CORPORATION
BOARD OF DIRECTORS**

(It is noted that all members of the Board of Trustees of the West Valley-Mission Community College District are members of this Board and all or a majority of the Trustees may be in attendance at this meeting)

NOTICE OF REGULAR MEETING and AGENDA

August 19, 2014

5:00 p.m.

Campus Center, Room 219

Mission College

Saratoga, California

1. **Call to order**
2. **Roll Call**
3. **Approval of the order of the agenda**
4. **Oral communications from the public on items not listed elsewhere on the agenda**
5. **Approval of the minutes of the meeting of June 17, 2014**
6. **Officers' Report**

This item may include a report on matters not noticed elsewhere on the agenda. The report may include information regarding the status of the Land Corporation's ground tenants, construction and/or the general business of the Land Corporation.

7. **Review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of June 30, 2014**

This item may include review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of June 30, 2014.

8. **Review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of July 31, 2014**

This item may include review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of July 31, 2014.

9. Review, consideration and possible action to ratify the contract for Asset Management Services with Jack Kent

This item may include review, consideration and possible action as described above.

10. Review, consideration and possible action to approve revisions to the Land Corporation's Allocation of Funds Policy

This item may include review, consideration and possible action to approve revisions to the Land Corporation's Allocation of Funds Policy.

11. Director's Reports

12. Adjournment

MISSION-WEST VALLEY LAND CORPORATION

Board of Directors

Regular Meeting

Minutes

June 17, 2014

1. Call to order

A regular meeting of the Board of Directors of the Mission-West Valley Land Corporation was called to order by President Chad Walsh at 5:00 p.m. in Campus Center Room 219, Mission College, Santa Clara, CA

2. Roll Call

Directors Adrienne Grey (arrived at 5:01pm), Nick Heimlich, Jack Lucas, Bob Owens, Buck Polk, Chad Walsh - President, and Karl Watanabe – Vice President; Secretary/Treasurer Ed Maduli.

3. Approval of the order of the agenda

The order of the agenda was approved as presented. (Owens/Polk, 6/0/0, with Grey absent and not voting)

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

None.

5. Approval of the minutes of the meeting of May 20, 2014

The May 20, 2014, meeting minutes were approved as presented. (Heimlich/Lucas, 6/0/0, with Grey absent and not voting)

6. Officers' Report

Mr. Maduli reported that the FY 12/13 Endowment Fund transfer had been made, that the RFP process for an asset management consultant had been completed, and that the annual rent adjustment for QTS had been made.

7. **Review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of May 31, 2014**

The May 31, 2014, Statement of Revenues, Expenditures and Net Assets was accepted as presented. (Owens/Polk, 7/0/0) Mr. Maduli commented that the balance of the FY 13/14 scheduled maintenance will be carried over to FY 14/15.

8. **Review, consideration and possible action to approve an Operating Budget for the 2014-15 Fiscal Year beginning on July 1, 2014**

There was a motion to approve the FY 14/15 Operating Budget as presented. (Polk/Heimlich)

Mr. Maduli stated that, per the existing Allocation of Funds Policy, the annual contribution to the Endowment fund has been reflected as part of the budget. He then asked to increase the Contingency Reserve amount to \$4 million, which would still leave \$3.39 million in the undesignated fund balance. Mr. Owens asked for the rationale for increasing the contingency reserve. Mr. Maduli responded that the reserve should be equal to approximately one year of revenue, which is common business practice. Ms. Grey thought that the Allocation of Funds Policy would be discussed and revised prior to establishing the FY 14/15 budget. Mr. Walsh commented that the budget can be revised once the Allocation of Funds Policy review has been completed.

The motion passed unanimously.

9. **Review, consideration and possible action regarding the selection of a qualified asset management consultant to provide the Land Corporation with land development and operational management**

Mr. Maduli reported that proposals were solicited for an asset management consultant. Four proposals were received and interviews with all four candidates were conducted by the hiring committee comprised of Mr. Maduli and Directors Walsh, Owens, and Polk. Based on those interviews, and subsequent reference checks, Mr. Jack Kent is being recommended for the job.

There was a motion to accept the recommendation of the committee and offer the position to Mr. Kent. (Lucas/Owens) Mr. Heimlich asked if Mr. Kent's contract would be reviewed by the Land Corporation Directors. Ms. Grey asked if the motion on the table should be amended to state that a contract would be negotiated with Mr. Kent. She added that she is uncomfortable with hiring a new consultant without first knowing what the Land Corporation would be

gaining or losing by doing so. She asked that information be provided to justify the change. The motion on the table was withdrawn by the maker and the second.

There was a motion by Mr. Heimlich, seconded by Ms. Grey, to “enter into contract negotiations with Mr. Kent, subject to ratification by the full Board, and including justification for moving to a new consultant.” Mr. Owens asked what the intent was for including justification. Ms. Grey responded that she would like to understand the thought process for the change, including qualifications, rates, experience, etc. Mr. Heimlich then stated that, if that was the basis for the request, it should not be discussed in open session, and that he would like to withdraw his motion. Mr. Owens added that the discussion could not take place in closed session because it does not concern a regular employee.

There was a motion by Mr. Owens, seconded by Mr. Polk, to “enter into contract negotiations with the consultant pending ratification by the full Board.” Mr. Perlberger, the current consultant, made comments regarding the hiring process and expressed disappointment that he was not selected to continue in the position. He also asked that all RFP responses be made available to him if they were made available to the entire Board as was expressed in an earlier statement. He stated that the information would have to be provided or the Land Corporation would be in violation of Brown Act regulations. Mr. Maduli stated that the information would not be provided to the entire Board. Mr. Walsh called for the vote. The motion passed 6/0/1, with Ms. Grey abstaining.

10. Update from the Allocation of Funds Policy Review Ad-hoc Committee

Mr. Heimlich reported that the ad-hoc committee held its first meeting on April 16, and that it was not well attended even though the college community was invited. The committee has developed several funding categories to integrate into the policy, but dollar amounts for those categories have not yet been identified. The committee hopes to finalize the revisions to the policy at its next meeting, scheduled for July 9, beginning at 6:00pm the West Valley College Board Room, and present them for review and action at the next Land Corporation meeting.

11. Director’s Reports

None.

12. Adjournment

Meeting adjourned at 5:31pm.

ITEMS 7 & 8

August 19, 2014

To: Board of Directors
Mission-West Valley Land Corporation

From: Jerry Donnard
Bookkeeper

Subject: Financial Statement

Attached are the financial statements for June 30, 2014, and July 31, 2014.

Please refer to the footnotes for any unusual or unexpected fluctuations in the Monthly or Year-to-Date expenses.

Please contact the Vice Chancellor or me if there are any questions regarding the statements.

Mission West Valley Land Corporation
Statement of Revenues, Expenses and Changes in Fund Balance
Budget vs Actual

As of June 30, 2014

	Budget (Col A)	Current Month (Col B)	Year to date Actual (Col C)
Revenues			
Ground Lease Revenues			
<i>LAKHA Properties</i>	\$ 950,000	\$ 79,167	\$ 950,000
<i>Sobrato/S-3: Phase I</i>	1,077,300	91,800	1,077,300
<i>Sobrato/S3: Phase II</i>	1,450,204	130,437	1,450,205
<i>Quality Technology</i>	1,144,405	100,708	1,149,746
<i>General Interest Revenue</i>	20,000	\$ 4,202	\$ 19,290
Gross Revenue	\$ 4,641,910	\$ 406,313	\$ 4,646,540
Other Income	\$ -	\$ -	\$ 112,500
Total Revenues	\$ 4,641,910	\$ 406,313	\$ 4,759,040
Expenses:			
Administrative and Operating Expenses			
<i>Audit & Tax Preparation Services</i>	\$ 15,000	\$ -	\$ 12,500
<i>Office Supplies</i>	500		195
<i>Property Taxes</i>	530		518
<i>Insurance</i>	-	1,633	1,633
<i>Legal Fees</i>	60,000	(4,413)	44,436
<i>Financial Services</i>	7,000	653	4,838
<i>Executive Director/Project Manager</i>	84,000	7,000	84,000
<i>WVMCCD Rent Fees (25% of Revenues)</i>	1,155,477	320,279	1,156,813
Total Administrative and Operating Expenses	\$ 1,322,507	\$ 325,151	\$ 1,304,933
Scheduled Maintenance			
<i>12/13 Scheduled Maintenance</i>	313,165	\$ 60,991	\$ 313,165
<i>13/14 Scheduled Maintenance</i>	184,806	\$ 47,583	\$ 98,100
Total Scheduled Maintenance Expenses	\$ 497,971	\$ 108,573	\$ 411,265
Other Expenses			
<i>District 2013-2014 Budget Support</i>	1,500,000	\$ -	\$ 1,500,000
Total Other Expenses	\$ 1,500,000	\$ -	\$ 1,500,000
Excess of Revenues Over Expenses Before Special Project Expenses	\$ 1,321,431	\$ (27,412)	\$ 1,542,842
Special Projects Ongoing			
<i>District Instruction and Student Services Programs</i>	\$ 1,500,000	\$ -	\$ 1,500,000
<i>MC Center for Innovation & Technology (MC2IT)</i>	250,000	-	250,000
Total Special Projects Expenses	\$ 1,750,000	\$ -	\$ 1,750,000
Excess of Revenues Over Expenses	\$ (428,569)	\$ (27,412)	\$ (207,158)
<i>Current Year Contributions to Endowment Fund</i>	\$ 462,191		\$ 462,725
<i>Assignment of Interest to Endowment</i>	1,978		1,978
Total 13-14 Endowment Contribution	\$ 464,169	\$ -	\$ 464,703
Excess of Revenues Over Expenses and Endowment	\$ (892,738)	\$ (27,412)	\$ (671,861)

Statement of Changes in Fund Balance

Statement of Revenues
and Expenses From June
30, 2013

Net Assets June 30, 2013	\$ 8,922,236
less Amortization of Prepaid Expenses	\$ 14,977
	\$ 8,907,259

Restrictions and Designations of Net Assets	
Endowment Fund	\$ 814,750
Land	\$ 16,702
Reserve for Prepaid Commission	\$ 607,756
Contingency Reserve	\$ 1,500,000
Undesignated Fund Balance	\$ 5,968,051

Excess of Revenues over Expenses in 13-14	\$ (207,158)
less Amortization of Prepaid Expenses	\$ 14,977
Projected net increase in fund balance	\$ (222,135)

Transfer of Endowment to Adv. Foundation	\$ (814,749)
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Projected Net Assets June 30, 2014	\$ 7,870,375
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Restrictions and Designations of Net Assets	
Endowment Fund	\$ 464,703
Land	\$ 16,702
Reserve for Prepaid Commission	\$ 592,779
Contingency Reserve	\$ 1,500,000
Undesignated Fund Balance	\$ 5,296,191

Current Month Cash Balance:	
Month End Checking Acct Balance	\$ 95,778
Month End LAIF Acct Balance	\$ 7,711,997

Previous Month Cash Balance:	
Month End Checking Acct Balance	\$ 941,438
Month End LAIF Acct Balance	\$ 7,711,997

**Schedule for
Restriction on reserves for endowment
effective 6/30/00**

	Contributions	Additions/ Interest	Cumulative Balance	LAIF interest rate	Endowment Transfers
Jun 2000 Beginning Balance	\$325,450				
Jun 2001		\$4,539	\$345,820	5.32% Actual	
Jun 2002	\$372,772	\$2,443	\$730,587	2.75% Actual	\$11,995
Jun 2003	\$402,746	\$3,289	\$1,149,334	1.77% Actual	\$16,001
Jun 2004	\$357,445	\$5,384	\$1,858,517	1.44% Actual	\$18,826
Jun 2005	\$358,231	\$13,443	\$2,258,442	2.85% Actual	\$41,694
Sep 2005		\$17,955	\$2,276,397	3.18% Actual	
Dec 2005		\$20,658	\$2,297,055	3.63% Actual	
Mar 2006		\$23,143	\$2,320,198	4.03% Actual	
Jun 2006	\$381,977	\$26,276	\$2,728,451	4.53% Actual	\$88,032
Sep 2006		\$33,628	\$2,762,079	4.93% Actual	
Dec 2006		\$35,286	\$2,797,365	5.11% Actual	
Mar 2007		\$36,156	\$2,833,521	5.17% Actual	
Jun 2007	\$426,809	\$37,048	\$3,297,378	5.23% Actual	\$142,118
Sep 2007		\$43,196	\$3,340,574	5.24% Actual	
Dec 2007		\$41,423	\$3,381,997	4.96% Actual	
Mar 2008		\$35,342	\$3,417,339	4.18% Actual	
Jun 2008	\$440,632	\$26,570	\$3,884,540	3.11% Actual	\$146,530
Sep 2008		\$26,900	\$3,911,441	2.77% Actual	
Dec 2008		\$24,838	\$3,936,278	2.54% Actual	
Mar 2009		\$18,796	\$3,955,074	1.91% Actual	6/18/2009
Jun 2009	\$450,341	\$14,930	\$535,806	1.51% Actual	\$85,464 \$3,884,540
Sep 2009		\$1,206	\$537,011	0.90% Actual	
Dec 2009		\$806	\$537,817	0.60% Actual	2/1/2010
Mar 2010		\$753	\$2,764	0.56% Actual	\$535,806
Jun 2010	\$458,214	\$4	\$460,982	0.56% Actual	\$2,768
Sep 2010		\$588	\$461,569	0.51% Actual	10/15/2010
Dec 2010		\$531	\$1,118	0.46% Actual	\$460,982
Mar 2011		\$1	\$1,119	0.51% Actual	
Jun 2011	\$423,201	\$1	\$424,321	0.48% Actual	\$1,121
Sep 2011		\$403	\$424,724	0.38% Actual	
Dec 2011		\$403	\$425,127	0.38% Actual	
Mar 2012		\$404	\$425,531	0.38% Actual	
Jun 2012	\$383,546	\$383	\$809,461	0.36% Actual	\$1,593 9/7/2012 \$424,321
Sep 2012		\$708	\$385,849	0.35% Actual	
Dec 2012		\$309	\$386,157	0.32% Actual	
Mar 2013		\$270	\$386,428	0.28% Actual	
Jun 2013	\$428,090	\$232	\$814,750	0.24% Actual	\$1,519
Sep 2013		\$530	\$815,280	0.26% Actual	6/17/2014
Dec 2013		\$530	\$815,810	0.26% Actual	\$ 429,609
Mar 2014		\$469	\$816,279	0.23% Actual	6/20/2014
Jun 2014	\$462,725	\$449	\$464,703	0.22% Actual	\$1,978 \$ 385,140 \$6,120,398

Outstanding Balance
2013/2014 \$464,703
Total \$464,703

Mission West Valley Land Corporation
Statement of Revenues, Expenses and Changes in Fund Balance
Budget vs Actual

As of July 31, 2014

	Budget (Col A)	Current Month (Col B)	Year to date Actual (Col C)
Revenues			
Ground Lease Revenues			
<i>LAKHA Properties</i>	\$ 950,000	\$ 79,167	\$ 79,167
<i>Sobrato/S-3: Phase I</i>	1,109,700	91,800	91,800
<i>Sobrato/S3: Phase II</i>	1,605,350	130,437	130,437
<i>Quality Technology</i>	1,176,449	98,037	98,037
<i>General Interest Revenue</i>	17,000		
Gross Revenue	\$ 4,858,499	\$ 399,441	\$ 399,441
Expenses:			
Administrative and Operating Expenses			
<i>Audit & Tax Preparation Services</i>	\$ 12,750	\$ -	\$ -
<i>Office Supplies</i>	500		
<i>Property Taxes</i>	540		
<i>Insurance</i>	1,700		
<i>Legal Fees</i>	60,000	396	396
<i>Financial Services</i>	7,000	518	518
<i>Consultant</i>	84,000	7,000	7,000
<i>WVMCCD Rent Fees (25% of Revenues)</i>	1,210,375		
Total Administrative and Operating Expenses	\$ 1,376,865	\$ 7,913	\$ 7,913
Scheduled Maintenance			
<i>13/14 Scheduled Maintenance</i>	\$ 86,706	\$ -	\$ -
<i>14/15 Scheduled Maintenance</i>			
Total Scheduled Maintenance Expenses	\$ 86,706	\$ -	\$ -
Other Expenses			
<i>District 2014-2015 Budget Support</i>	\$ -	\$ -	\$ -
Total Other Expenses	\$ -	\$ -	\$ -
Excess of Revenues Over Expenses Before Special Project Expenses			
	\$ 3,394,928	\$ 391,528	\$ 391,528
Special Projects Ongoing			
	\$ -	\$ -	\$ -
Total Special Projects Expenses	\$ -	\$ -	\$ -
Excess of Revenues Over Expenses			
	\$ 3,394,928	\$ 391,528	\$ 391,528
<i>Current Year Contributions to Endowment Fund</i>	\$ 484,150		
<i>Assignment of Interest to Endowment</i>	930		
Total 14-15 Endowment Contribution	\$ 485,080	\$ -	\$ -
Excess of Revenues Over Expenses and Endowment			
	\$ 2,909,848	\$ 391,528	\$ 391,528

Statement of Changes in Fund Balance

Projected Statement of
Revenues and Expenses
From June 30, 2014

Net Assets June 30, 2014	\$ 7,885,352
less Amortization of Prepaid Expenses	\$ 14,977
	\$ 7,870,375

Restrictions and Designations of Net Assets	
Endowment Fund	\$ 464,704
Land	\$ 16,702
Reserve for Prepaid Commission	\$ 592,779
Contingency Reserve	\$ 4,000,000
Undesignated Fund Balance	\$ 2,796,190

Excess of Revenues over Expenses in 14-15	\$ 3,394,928
less Amortization of Prepaid Expenses	\$ 14,977
Projected net increase in fund balance	\$ 3,379,951

Transfer of Endowment to Adv. Foundation

Projected Net Assets June 30, 2015	\$ 11,250,326
Restrictions and Designations of Net Assets	
Endowment Fund	\$ 949,783
Land	\$ 16,702
Reserve for Prepaid Commission	\$ 577,802
Contingency Reserve	\$ 4,000,000
Undesignated Fund Balance	\$ 5,706,039

Current Month Cash Balance:

Month End Checking Acct Balance	\$ 487,284
Month End LAIF Acct Balance	\$ 7,716,198

Previous Month Cash Balance:

Month End Checking Acct Balance	\$ 95,778
Month End LAIF Acct Balance	\$ 7,711,997

**Schedule for
Restriction on reserves for endowment
effective 6/30/00**

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Mar 2010		\$753	\$2,764	0.56% Actual	\$535,806
Jun 2010	\$458,214	\$4	\$460,982	0.56% Actual	\$2,768
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Mar 2011		\$1	\$1,119	0.51% Actual	
Jun 2011	\$423,201	\$1	\$424,321	0.48% Actual	\$1,121
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Dec 2011		\$403	\$425,127	0.38% Actual	
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Mar 2013		\$270	\$386,428	0.28% Actual	
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Sep 2013		\$530	\$815,280	0.26% Actual	6/17/2014
Dec 2013		\$530	\$815,810	0.26% Actual	\$ 429,609
Mar 2014		\$469	\$816,279	0.23% Actual	6/20/2014
Jun 2014	\$462,725	\$449	\$464,704	0.22% Actual	\$1,978
Sep 2014		\$232	\$464,936	0.20% Estimate	
Dec 2014		\$232	\$465,169	0.20% Estimate	
Mar 2015		\$233	\$465,401	0.20% Estimate	
Jun 2015	\$484,150	\$233	\$949,783	0.20% Estimate	\$930
					\$6,120,398

Outstanding Balance

2013/2014	\$464,703
2014/2015	\$485,080
Total	\$949,783

**Mission-West Valley Land Corporation
Policy on Allocation of Funds**

10-10-06

Revised 7-16-09

Revised 11-12-09

Revised 8-19-14

I. Allocation of Funds Policies

- A. The Mission-West Valley Land Corporation (“the Land Corporation”) will pay rent to the West Valley-Mission Community College District (“the District”) in an amount equal to 25% of the gross annual (fiscal year) ground lease revenues received by the Land Corporation.
- B. The Land Corporation will contribute 10% of its gross annual ground lease revenue to the Land Corporation Endowment Fund.
- C. The Land Corporation shall provide all or a portion of the matching funds necessary for the District’s Scheduled Maintenance Project annually, subject to Board approval.
- D. The Land Corporation will typically not consider requests for funding of on-going District or college operations or for other annual or continuing expenses of the District or colleges, except as otherwise specifically provided within these policies.
- E. The Land Corporation will consider any appropriate requests for funding only after providing adequate funding for the fiduciary and financial responsibilities of the Land Corporation itself.
- F. The Land Corporation shall maintain at all times a Contingency Reserve of no less than ~~\$1,500,000~~ \$4,000,000 or an amount equal to its annual debt service payments, whichever is greater.
- G. The Land Corporation shall not assume annual debt service obligations in excess of 50% of its then scheduled gross annual ground lease revenues.
- H. The Land Corporation shall allocate ~~\$100,000~~ \$150,000 to the District to establish ~~an~~ two Innovation Funds operated by the District. \$100,000 shall be allocated to the Teaching and Learning Innovation Fund, which is designed to fund faculty, both full and part-time, who have innovative ideas about teaching and learning and need funds to make them real. The approval process will consist of proposals being developed and submitted to a Review Committee composed entirely of faculty from the two colleges.

Recommended proposals will go to the District’s Executive Management Team (EMT) for final review and approval. Innovative projects will be considered and funded on a quarterly basis. Reports on funded proposals will be given to Land Corporation quarterly. \$50,000 will be allocated to the Student Success Innovation Fund for staff and administrators who need funding for innovative ideas about improving student success. A similar review procedure with appropriate administrative and classified staff participation will be enacted. There will be no participation from faculty, except for counselors. Innovative projects will be considered and funded on a quarterly basis. EMT will perform the final review and approval for funding. Reports on funded proposals will be given to Land Corporation on a quarterly basis. provided that this Innovation Fund be established and operated by the District, as a revolving fund (meaning any funds expended that result in grant income shall be repaid to the fund out of the grant funds received so as to be available to be used again). Any future Land Corporation contributions to these funds shall be discretionary on the part of the Board and generally shall only consist of the dollars required to bring the fund balance back to ~~\$100,000.~~ \$150,000.

I. The Land Corporation shall provide funding for technology refresh and instructional equipment, subject to Board approval.

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J. The Land Corporation shall provide funding for student assistance programs, subject to Board approval. Funds for these programs will be transferred to the West Valley-Mission Community College Foundation, who will manage the funds. The District shall establish student assistance programs, subject to Board approval.

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H.K. The Land Corporation shall provide funds to the District to establish an Entrepreneurial Fund, operated by the District. The funds will be granted at chancellor/president discretion in order to advance creative proposals or projects that are accompanied by some degree of risk. Funds must be reserved for projects and proposals that either need funding expeditiously or projects and proposals that cannot be readily funded in other ways. Funds cannot be spent on items for a chancellor’s or president’s office. Projects or proposals that are funded must be reported quarterly to the Land Corporation by the appropriate executive.

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L. These policies are to remain in effect until ~~July 1, 2016~~ June 30, 2017, unless otherwise changed by Board action. ~~The Board may review and update these policies prior to July 1, 2016, to insure the policies adequately reflect the desires of the Board.~~

I.M. The Pro Forma attached as Exhibit A shall be used as a guide in allocating funds to the six funding categories established by the Land Corporation.

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II. Procedures for Consideration of ~~Special Project and Capital Project~~ Capital Improvements and Special Projects Funding Proposals

A. ~~The Land Corporation shall regularly annually consider requests for capital improvements and special project funding, for the following approved purposes (listed in no particular order):~~

- ~~• Capital improvements within the District;~~
- ~~• One time enhancements of District educational programs;~~
- ~~• Enhancement of Student Support Services;~~
- ~~• Specific public relations activities as approved by the Board;~~

*A. ~~Specific fund raising activities to benefit the District as approved by the Board.~~

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B. The Land Corporation shall allocate by ~~January 31~~ July 31 of each fiscal year of the calendar year preceding the start of the June fiscal year, a set amount of dollars for ~~special projects and capital project~~ capital improvement and special project funding needs. The amount of this allocation shall be made known to the District.

C. Requests for consideration of ~~special project funding and capital project~~ capital improvements and special project funding proposals by staff must be presented in the following manner:

- No later than ~~April 1, following the January 31 allocation~~ October 1, proposals shall be transmitted in writing, to the Vice Chancellor. Each proposal must adhere to the funding guidelines contained herein for consideration.
- No later than ~~May 1~~ November 1, the Vice Chancellor will prepare and transmit a report to EMT listing all proposals received and providing background, remarks and recommendations concerning the proposals.
- No later than ~~May 30~~ November 30, EMT will meet and consider all proposals received. EMT will recommend approval or rejection of each proposal and shall make its recommendation known to the Chancellor.
- The Board will then consider and act on each proposal and recommendation in an expeditious manner.

D. ~~Special projects~~ Capital improvements and special project proposals approved for funding by the Board shall remain funded for the remainder of the fiscal year in which they are first approved and for the entire following fiscal year, unless specific action is taken by the Board to rescind the approval.

- E. No later than ~~September~~ April of each year, the District shall provide the Land Corporation Board with a written report summarizing the efforts, outcomes and funding status for each capital improvement and special project approved for funding and a part of the Land Corporation ~~Special Projects~~ Budget. This report shall be provided at a regular Land Corporation Board Meeting.

- F. Director's project funding requests, or emergency District requests approved by the Chancellor, shall be considered on an as requested basis.

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ATTACHMENT A

PRO FORMA BUDGET

Land Corporation Proposed Funding Categories

1. Innovation Fund		\$150,000
• Teaching & Learning Innovation Fund (para 1H)	\$100,000	
• Student Success Innovation Fund	\$50,000	
2. Capital Improvements & Special Projects (para II)		\$1,600,000
• Capital Improvements	\$1,000,000	
• Special Projects	\$600,000	
3. Technology Refresh & Instructional Equipment		\$500,000
4. Student Assistance		\$634,150
• Scholarship Endowment (para 1B)	\$484,150	
• Other Student Assistance	\$150,000	
5. Maintenance (para1C)		\$200,000
6. Entrepreneurial Funds		\$100,000
		<u>Total \$3,184,159</u>

**Mission-West Valley Land Corporation
Policy on Allocation of Funds**

10-10-06

Revised 7-16-09

Revised 11-12-09

Revised 8-19-14

I. Allocation of Funds Policies

- A. The Mission-West Valley Land Corporation (“the Land Corporation”) will pay rent to the West Valley-Mission Community College District (“the District”) in an amount equal to 25% of the gross annual (fiscal year) ground lease revenues received by the Land Corporation.
- B. The Land Corporation will contribute 10% of its gross annual ground lease revenue to the Land Corporation Endowment Fund.
- C. The Land Corporation shall provide all or a portion of the matching funds necessary for the District’s Scheduled Maintenance Project annually, subject to Board approval.
- D. The Land Corporation will typically not consider requests for funding of on-going District or college operations or for other annual or continuing expenses of the District or colleges, except as otherwise specifically provided within these policies.
- E. The Land Corporation will consider any appropriate requests for funding only after providing adequate funding for the fiduciary and financial responsibilities of the Land Corporation itself.
- F. The Land Corporation shall maintain at all times a Contingency Reserve of no less than \$4,000,000 or an amount equal to its annual debt service payments, whichever is greater.
- G. The Land Corporation shall not assume annual debt service obligations in excess of 50% of its then scheduled gross annual ground lease revenues.
- H. The Land Corporation shall allocate \$150,000 to the District to establish two Innovation Funds operated by the District. \$100,000 shall be allocated to the Teaching and Learning Innovation Fund, which is designed to fund faculty, both full and part-time, who have innovative ideas about teaching and learning and need funds to make them real. The approval process will consist of proposals being developed and submitted to a Review Committee composed entirely of faculty from the two

colleges. Recommended proposals will go to the District's Executive Management Team (EMT) for final review and approval. Innovative projects will be considered and funded on a quarterly basis. Reports on funded proposals will be given to Land Corporation quarterly. \$50,000 will be allocated to the Student Success Innovation Fund for staff and administrators who need funding for innovative ideas about improving student success. A similar review procedure with appropriate administrative and classified staff participation will be enacted. There will be no participation from faculty, except for counselors. Innovative projects will be considered and funded on a quarterly basis. EMT will perform the final review and approval for funding. Reports on funded proposals will be given to Land Corporation on a quarterly basis. Any future Land Corporation contributions to these funds shall be discretionary on the part of the Board and generally shall only consist of the dollars required to bring the fund balance back to \$150,000.

- I. The Land Corporation shall provide funding for technology refresh and instructional equipment, subject to Board approval.
- J. The Land Corporation shall provide funding for student assistance programs, subject to Board approval. Funds for these programs will be transferred to the West Valley-Mission Community College Foundation, who will manage the funds. The District shall establish student assistance programs, subject to Board approval.
- K. The Land Corporation shall provide funds to the District to establish an Entrepreneurial Fund, operated by the District. The funds will be granted at chancellor/president discretion in order to advance creative proposals or projects that are accompanied by some degree of risk. Funds must be reserved for projects and proposals that either need funding expeditiously or projects and proposals that cannot be readily funded in other ways. Funds cannot be spent on items for a chancellor's or president's office. Projects or proposals that are funded must be reported quarterly to the Land Corporation by the appropriate executive.
- L. These policies are to remain in effect until June 30, 2017, unless otherwise changed by Board action.
- M. The Pro Forma attached as Exhibit A shall be used as a guide in allocating funds to the six funding categories established by the Land Corporation.

II. Procedures for Consideration of Capital Improvements and Special Projects Funding Proposals

- A. The Land Corporation shall annually consider requests for capital improvements and special project funding.

- B. The Land Corporation shall allocate by July 31 of each fiscal year a set amount of dollars for capital improvement and special project funding needs. The amount of this allocation shall be made known to the District.
- C. Requests for consideration of capital improvements and special project funding proposals by staff must be presented in the following manner:
- No later than October 1, proposals shall be transmitted in writing to the Vice Chancellor. Each proposal must adhere to the funding guidelines contained herein for consideration.
 - No later than November 1, the Vice Chancellor will prepare and transmit a report to EMT listing all proposals received and provide background, remarks and recommendations concerning the proposals.
 - No later than November 30, EMT will meet and consider all proposals received. EMT will recommend approval or rejection of each proposal and shall make its recommendation known to the Chancellor.
 - The Board will then consider and act on each proposal and recommendation in an expeditious manner.
- D. Capital improvements and special project proposals approved for funding by the Board shall remain funded for the remainder of the fiscal year in which they are first approved and for the entire following fiscal year, unless specific action is taken by the Board to rescind the approval.
- E. No later than April of each year, the District shall provide the Land Corporation Board with a written report summarizing the efforts, outcomes and funding status for each capital improvement and special project approved for funding as part of the Land Corporation Budget. This report shall be provided at a regular Land Corporation Board Meeting.
- F. Director's project funding requests, or emergency District requests approved by the Chancellor, shall be considered on an as-requested basis.

ATTACHMENT A

PRO FORMA BUDGET

Land Corporation Proposed Funding Categories

1. Innovation Fund		\$150,000
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		<u>Total \$3,184,159</u>