

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.