

**MISSION-WEST VALLEY LAND CORPORATION**

Board of Directors  
Regular Meeting  
Minutes  
August 19, 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 5:15pm), 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 June 17, 2014**

The June 17, 2014, meeting minutes were approved as presented. (Polk/Owens, 6/0/0, with Grey absent and not voting)

**6. Officers' Report**

Mr. Jack Kent, the new Asset Management consultant, was introduced. Mr. Maduli reported that he, Mr. Kent, and the Land Corporation attorney met on July 23 to review the Land Corporation's ground leases. There are three main ground leases, which all have rent valuations due as follows:

- Mercado – September 2016
- QTS – October 2018

- Sobrato – December 2023, but incur annual increases based on the CPI index.

Mr. Kent will visit each location to establish contact with key individuals.

**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**

The June 30, 2014, Statement of Revenues, Expenditures and Net Assets was accepted as presented. (Polk/Owens, 6/0/0, with Grey absent and not voting)

**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**

The July 31, 2014, Statement of Revenues, Expenditures and Net Assets was accepted as presented. (Owens/Polk, 6/0/0, with Grey absent and not voting)

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

There was a motion to ratify the contract with Jack Kent for Asset Management Services. The motion passed. (Polk/Walsh, 6/0/0, with Grey absent and not voting)

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

Mr. Heimlich reported that two ad-hoc committee meetings were held to determine funding categories for the revised allocation policy. The funding categories were identified as:

- a. Innovation Fund
- b. Capital Improvements & Special Projects
- c. Technology Refresh & Instructional Equipment
- d. Student Assistance
- e. Maintenance
- f. Entrepreneurial Funds

Funding levels for the categories will be based on available revenues. The pro-forma budget attached to the policy is not binding and can change annually.

Mr. Maduli recommended that, if approved, projects be presented in November for funding consideration. A five-year plan for technology and instructional equipment replacement will also be presented so that the Land Corporation will know the true costs for keeping equipment updated and state-of-the-art.

College Presidents Davis and Peck commented that the Entrepreneurial and Student Assistance funds would allow the colleges to be innovative and initiate programs and services for students that they could not otherwise afford. Those programs and services, in turn, could help with student retention. Mr. Polk inquired about how much money each college wanted. President Davis responded that \$100,000 - \$150,000 would be ideal, but may not be a viable endeavor to begin with. President Peck indicated that he would like to lay the ground work for better advertising and branding since neighboring colleges are expanding into Mission's territory in the next several years. Chancellor Schmitt added that the Entrepreneurial Funds would allow him and the college presidents to respond to emergency requests or special opportunities that would otherwise be missed. Additionally, the funds would allow for innovative and creative opportunities that also involve some risk-taking. Currently, there is no funding for that type of endeavor. Mr. Lucas asked who had authority over the funds. Chancellor Schmitt responded the he and the presidents have authority to use the funds, but the presidents would need his approval before using them. He assured the Land Corporation Directors that none of the funds would be used for their benefit, and that detailed quarterly reports would be provided to show how the funds were spent.

Mr. Walsh asked about the Capital Improvements & Special Projects and Technology Refresh & Instructional Equipment categories and why they needed Land Corporation funding. He wanted to know why those items were not bond funded. Mr. Maduli responded that most maintenance and capital improvement projects are not part of the bond program so bond funds cannot be used; additionally, there will be little to no money from the State to fund them. Also, there will be no funds for new technology. The technology in the four-year-old Fox Center is already outdated and there is no money in the college budget to replace it.

If the revised policy is approved, a draft budget with itemized detail will be presented at the September meeting. Mr. Owens asked for confirmation that the Board is only being asked to approve the policy and not the budget. Mr. Maduli confirmed that the budget is not being approved.

There was a motion to approve the revised Allocation of Funds policy as presented. (Lucas/Heimlich, 6/1/0, with Walsh voting no)

**11. Director's Reports**

None.

**12. Adjournment**

Meeting adjourned at 5:50pm.