

MISSION-WEST VALLEY LAND CORPORATION

Board of Directors

Regular Meeting

Minutes

March 15, 2016

1. Call to order

A regular meeting of the Board of Directors of the Mission-West Valley Land Corporation was called to order by Vice President Bob Owens at 5:01 p.m. in the Mission College Campus Center, Room 219, Santa Clara, CA

2. Roll Call

Directors Adrienne Grey, Anne Kepner – President (arrived at 5:02pm), Steve Landau – absent, Jack Lucas, Bob Owens – Vice President, and Karl Watanabe; Secretary/Treasurer Ed Maduli.

3. Approval of the order of the agenda

The order of the agenda was approved as presented. (Lucas/Watanabe, 5/0/0, with Kepner and Landau 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 January 19, 2016

There was a motion by Lucas, seconded by Owens, to “approve the January 19, 2016, meeting minutes as presented.” The motion passed. (5/0/1, with Fish abstaining and Landau absent and not voting)

6. Officers’ Report

Mr. Maduli reported that the ground lease with Lakha Properties at the Mercado Center will expire in September 2016. In preparation for negotiations, which will begin in June, a market valuation has been commissioned.

7. Review of the 2016 Budget Calendar

Mr. Maduli reviewed the 2016 Land Corporation budget calendar, which identifies in what month budgetary items are reviewed and acted upon by the Board of Directors.

8. **Review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of February 29, 2016**

Mr. Maduli noted that the financials show that no Special Projects funding had been spent in February. He informed the Board that the funds are being spent but that invoices for the expenditures have not yet been submitted. He expects invoices to be submitted and paid prior to the next meeting. Additionally, he noted that there will be a balance of \$2.35 million in undesignated funds after the transfer of \$5 million to the new investment account.

Mr. Owens asked for the status of the Mission College Educational and Facility Master Plan (E&FMP). President Peck responded that the E&FMP should be completed by the beginning of Fall and that the Master Plan should be completed by mid-Fall.

There was a motion by Owens, seconded by Grey, to “accept the February 29, 2016, Statement of Revenues, Expenditures and Net Assets as presented.” The motion passed. (6/0/0, with Landau absent and not voting)

9. **Appoint a committee to review and recommend revisions to the Endowment Agreement between the Land Corporation and the Advancement Foundation**

Ms. Kepner identified the need to review and possibly revise the Endowment Agreement, which has been in effect since April 2009, to ensure that the language and purpose are still relevant. The following members were appointed to perform the review: Mr. Owens, Ms. Kepner, and Mr. Landau.

10. **Review, consideration and possible action to approve the District’s request for a grant of \$250,000 in FY 15/16 to support the Presidents’ plans on scholarships and student assistance in FY 16/17**

Mr. Maduli stated that the colleges will not receive any scholarship funding from the Advancement Foundation for FY 15/16 due to poor investment earnings. As a result, the college Presidents are asking for a grant of \$250,000 from the undesignated fund balance to support their scholarship and student assistance efforts. The Presidents’ shared their spending plans, which include scholarships for incoming students within college boundaries and grants for books and supplies. Eligibility requirements for the programs can be found on the colleges’ websites.

If approved, the money would be split evenly between the colleges. The Presidents’ stated that the grant will not cover the entire cost of the programs, which is approximately \$400,000, and that the difference will come from college funds.

Mr. Owens indicated that he is in favor of the programs but has concerns about the funding request and the potential for additional requests. Currently, the Land Corp provides 10% of its gross annual ground lease revenue to the Endowment Fund. Interest earned on those funds are then provided to the colleges for scholarships. If the Advancement Foundation's investments are such that there are no earnings, and therefore no money for the colleges, the Land Corp needs to reevaluate its relationship with the Advancement Foundation including decreasing or stopping its contributions for the purpose of the Endowment Agreement. He also expressed concern about the scholarship program ending in future years due to a lack of funds, whether from the Foundation, the Land Corp, or the colleges.

Chancellor Schmitt expressed hope that the newly created Endowment Agreement Review Committee will address Mr. Owens concerns.

There was a motion by Lucas, seconded by Watanabe, to "approve the District's request for a grant of \$250,000 in FY 15/16 to support the Presidents' plans on scholarships and student assistance for FY 16/17." The motion passed. (6/0/0, with Landau absent and not voting)

11. Preliminary discussion on FY 16/17 funding allocations per the Allocation of Funds Policy

Mr. Maduli identified that, consistent with the budget calendar, there must be a review of the proposed funding for the six categories identified in the Allocation of Funds Policy. He shared his proposal and stated that spending plans would be presented at the next meeting.

Mr. Lucas asked that future proposals also show current year allocations.

12. Review, consideration and possible action to approve a resolution to create a standing Investment Committee

Ms. Kepner stated that an Investment Committee needs to be established to oversee the Land Corp's new investment account and that the By-laws allow the creation of a new standing committee by resolution. The new committee will meet quarterly to review investments and will report back to the full Board.

There was a motion by Owens, seconded by Grey, to "approve a resolution to create a standing Investment Committee." The motion passed. (6/0/0, with Landau absent and not voting) Committee members are: Ms. Grey, Ms. Fish, and Ms. Kepner

13. Review, consideration and possible action to revise the Allocation of Funds Policy

Mr. Maduli reviewed the proposed changes to the Allocation of Funds Policy. The changes are primarily to clarify and strengthen existing language and to update due dates for Capital Improvements and Special Projects funding proposals.

There was a motion by Grey, seconded by Owens, to “approve the revisions to the Allocation of Funds Policy.” Prior to the vote, Mr. Lucas asked that a correction be made to item II.F – change Director’s to Directors’. The motion passed as amended. (6/0/0, with Landau absent and not voting)

14. Directors’ Comments

None.

15. Adjournment

Meeting adjourned at 6:01pm.