January 10, 2012
Board of Directors
5:00 – 6:00 P.M.
Founders Hall

Board Meeting Minutes

BOARD OF DIRECTORS (Voting)

Executive Board:

✓ Michael Shay, President
✓ Steve O’Sullivan, Vice President
✓ Aziz Amiri, Treasurer
✓ Bill Roman, Member at Large

✗ Philip Chen
✗ Orlando Ortega
✓ Dr. Bill Scroggins, President/CEO, Mt. SAC
✓ John Soward

EX-OFFICIO: (NON-VOTING)

✗ Rosanne Bader, Member, Mt. SAC Board of Trustees
✓ Dr. Virginia Burley, V.P. of Instruction, Mt. SAC
✓ Marc Ruh, Instructor and Faculty Liaison

Staff:

✓ Lisa Sugimoto, Interim Executive Director
✗ Ivonne Landeros, Foundation Administration
✓ Annette Barrantes, Program Associate

Guest(s):

✓ Ann Poloko, Investment Advisor
✓ Marie Hayrapet
✓ Sharon Bolle
✓ Ahm Qutubuddin
✓ Lois Ingham
✓ Bruno Hernandez
1.) **Welcome** - Mr. Shay welcomed the Board to the Meeting at 5:10 pm.

2.) **Episcopal Home Communities** payout offer of the Natalie Morgan Trust was presented by Marie Hayrapet. *Motion to Approve by Michael Shay, 2nd by Aziz Amiri, unanimously approved to accept recommendation/offer from Episcopal Home Communities.*

3.) **Introduction of Potential Board Members**: Sharon Bolle, Lois Ingham, and Ahm Qutubuddin. Copies of their application were provided in the board packets.

4.) **Recommendation for Appointment of New Board Members**: Sharon Bolle, Lois Ingham, and Ahm Qutubuddin. *Motion to Approve by Mike Shay, 2nd by Dr. Scroggins; unanimously approved.*

5.) **Review and approve minutes** of meeting, October 19, 2011 (*Motion Required*)

   *Motion to approve by Dr. Bill Scroggins, 2nd by: Steve O’Sullivan; unanimously approved.*

   Bill Scroggins shared his meeting with Jim Randall. He mentioned that Jim Randall is interested in making an annual pledge. Dr. Bill Scroggins will continue to keep in touch with Jim Randall.

   Marc Ruh mentioned the Heritage Hall Project. Dr. Scroggins responded that there is in the Master Facilities Plan.

   Dr. Scroggins mentioned the federally funded Small Business Administration and the potential for the Foundation to reach out to small businesses in the community that might want to contribute to the College/Foundation (future discussions).

6.) **Financial Report and Investment Report Review**

   Lisa Sugimoto and Mike Shay reported on the earlier meeting of the Finance Committee with the review of the Profit and Loss statement by addressing the following line account

   **Account 4310 – Interfund Transfer In;** July – December 2011, it shows $0.00 as compared to July – December 2010 with $86,784.48. Ms. Sugimoto explained that this is Heritage Hall funds that was transferred from Mt. SAC Auxiliary to the Foundation.

   **Account 4500 – Private Funds;** It was explained the $45,979 (July – December 2011) was money brought through Private Grant and Foundation served as a holding place. It’s an “in and out” account that went in to the Foundation. The $45,979 is a donation received by the Foundation on behalf of the Aviation Department.

   Mike Shay explained that as a Foundation, there are times when 2 things happen: sometimes, there are one-time only deals where the Foundation can receive a donation in one year and not the following year. The other thing that happens, the Foundation can also become a clearing house where the money will show in our books but in reality, the Foundation becomes a “pass through.” Dr. Bill Scroggins
further explained that Mt. SAC will not be eligible to receive these type of funds if we do not have a 501(c)3 organization like the Foundation.

Account 7511 – Special Events Expense; Because of the timing of the Golf Tournament, the expenses that were incurred during the tournament were not paid in July 2010.

Account 7510 – Fundraising Expenses; $11,935.60 in July – December 2011. It was explained that this was Dr. John Nixon’s retirement party, which was not paid until July 2011.

Account 7010 and 7020 - Lisa Sugimoto explained that these are funds for the Planetarium

Account 7550 – Salaries-College Paid; it still shows the full salary of former Foundation Director Richard Morley because it is still being processed for the final pay-out. Payroll for his salary and vacation payout are being reconciled.

Balance Sheet
Line 2700 – Loan Auxiliary – Note Payable; Lisa explained that this is money loaned to the Foundation by Mt. SAC’s Auxiliary Services.

Line 1532 – Salton City; there’s been a discussion in the past about significantly reducing the value of this property. Bill Scroggins suggested checking on the website to estimate the current value or assessed value of the property.

7.) Annual Fund/Holiday Ask Report
The Annual Fund was briefly discussed. Mike Shay reported on the donations received during the holidays. He also added that the Foundation has to continue making the ask.

8.) Review of Investments
Ann Poloko reviewed the portfolio with the Finance Board. The committee agreed with the recommendation to sell the Fidelity Independence Fund in the Endowed Title Account V Account and replace it with the Vanguard Fixed Income Inflation Protection Fund, a fund the foundation currently owns.

The committee agreed with the recommendation to hold both the stock for Clorox and the Causeway Capital Management Fund that were donated to the Foundation in 2011.

The committee agreed to a change the Account name of Account #1808 from Endowed Fund (Scholarships & Campus Projects) to Foundation Operating Fund. This account, #1808, is the actual Operating Fund for the Foundation and has been intended for that purpose since inception. This would be the account that the Foundation could draw cash from in the event it is needed. **Motion by Mike Shay, 2nd by Aziz Amiri, motion passed unanimously.**
The committee agreed to transfer funds in Account #9376, which is currently titled Operating Fund, into the Endowed Scholarship Fund Account #4128; closing account #9376 once that transfer is made.

The committee also agreed to the recommendation to sell the investments in account #9376 once they have been moved and reinvest the proceeds into funds that are less aggressive.

Since the departure of Mr. Morley, former Director of the Foundation, any changes in the accounts could not be done until new paperwork was submitted. Mr. Amiri and Mr. Shay have signed all of the necessary paperwork. Once this is submitted, we will be able to make the above changes.

It was decided that once a permanent Executive Director is appointed, that he or she will be added to the accounts. Lisa Sugimoto recommended that the Foundation consider charging fees for holding campus project funds.

**Hot Topic Other Discussions**

- Paper work for the New Director will be out in 2 weeks.
- Astronomy Event (April 12, 2012 - Tentative) Lisa Sugimoto is coordinating the event with Julie Bray-Ali of the Astronomy Department. Information will go out as soon as we have the details available. This event is a chance to bring in more donors for the Astronomy Dome and Planetarium.
- Golf Tournament (June 1, 2012) Mike Shay discussed about changing the marketing approach for the tournament.
- Lois Ingham brought up the Foundation Calendar. Lisa discussed about sending out an e-mail to get the schedule of every board meeting.

Meeting Adjourned at 6:28 PM