

**San Jose/Evergreen
Community College District
Foundation**

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*Minutes
Board of Directors Meeting
July 24, 2008, 12:00 p.m.
Appi Mishra Room
Library & Ed. Tech. Center
Evergreen Valley College*

Directors Present: Barbara Avery, Jeff Fischer, Frank Greene, Olga Martin Steele,
Randy Okamura, Neil Struthers, Monica Zent

Directors Absent: Teresa Alvarado, Carl Cilker, Richard Tanaka

Also Present: Rosa Perez, Ron Root, Carole Cassidy, David Wain Coon,
Penny Garibay, Denise Willis

I. Call to Order

President Fischer called the meeting to order at 12:45 p.m. in the Appi Mishra Room in the Library & Ed. Tech. Center at Evergreen Valley College. There were no public comments.

II. Approval of Minutes

The Board approved the Minutes of the Foundation Directors' meeting dated May 29, 2008.

III. Treasurer's Report

Mr. Root spoke to the substantial decline in restricted and unrestricted income compared to previous year. He indicated the Foundation actually made about \$178,000 in scholarships through grants; \$56,000 of that amount was the Chancellor's Bookstore Scholarship Fund.

The Foundation had made loans to each campus approximately 15 years ago, which have not been paid in their entirety. The Foundation will write off these remaining amounts, based on discussions at a previous board meeting.

Mr. Root highlighted the P&L activity. The Foundation spent \$25,000 for a ballot measure. \$40,000 was spent in legal and consulting services to develop materials and recruit new Board members. Ms. Cassidy's compensation will need to be reflected as explained below.

The reporting relationship of the Foundation Executive Director was clarified in that the position reports directly to the Foundation Board. Under law, the Chancellor does not have the authority to supervise this position, nor does the Chancellor have authority to evaluate, hire, or fire. These actions must be performed by the

Foundation Board. The Chancellor is a member of the Board, and as such, there is an informal reporting relationship. There is no statutory authority, but there is an obligation to implement the Foundation statutes. Essentially this makes it more of a dotted line relationship.

In regards to the Governing Board's authority to allocate resources to the Foundation, it was originally the intent to have the Foundation become self-supporting; phasing out District support for operational costs. The State Chancellor's regulations state that district's cannot use funds from taxpayers to support foundations. The District can use non-tax or non-public revenue such as revenue generated from vending machines, bookstore, lease revenue, etc. The District receives income from these sources, and consequently, will supplement the Foundation's operating costs from those non-tax sources.

- A. The Board accepted the June 30, 2008 (unaudited) Profit & Loss YTD Comparison as submitted.
- B. The Board accepted the June 30, 2008 (unaudited) Balance Sheet as submitted.

IV. EVC Center for the Arts

President Wain Coon gave a PowerPoint presentation on the planned Center for the Arts to be constructed on the Evergreen Valley College campus.

V. FY 2008/2009 Proposed Foundation Budget

Ms. Cassidy distributed a budget sheet in addition to what was in the board packet that was mailed out and highlighted the proposed 2008/2009 Foundation Budget.

The Board approved the budget as submitted.

VI. Review of Strategic Plan

Ms. Cassidy gave a PowerPoint presentation regarding the status of the Strategic Plan, highlighting the three-year plan/goals from 2006. New goals were added such as an investment policy and a gift acceptance policy and revising the Foundation's account management policies and practices.

Ms. Cassidy noted use of the term "Foundation" within the District has become muddled and therefore there is a need to clarify that there is only one Foundation for the District. She also discussed the need for an annual statement to be sent to each Foundation account holder to update information for them and offer the opportunity for modifications. Board members noted the importance of creating an infrastructure so that the vision of the Foundation can begin to be carried out.

The Board inquired about upcoming events. Ms. Cassidy indicated the District has two newly renovated buildings on the SJCC Campus that will open in September: Construction Technology and Cosmetology. These projects, however, will not be managed by the Foundation.

VII. Insurance Coverage for Foundation Board Members

Mr. Root distributed a letter from the District's attorney regarding the Board's insurance coverage. The Articles of Incorporation place the Foundation Board of Directors in a subordinate role to the Board of Trustees. The current status of the Foundation Board is that it is under the Trustee's direction, and as such, the Director's are covered under the District's policy.

VIII. Review of Master Agreement

The agenda was amended to reflect this item as Information.

Mr. Root noted a number of changes that are necessary to the Master Agreement.

Mr. Root noted that at the last Foundation Board meeting the Board adopted amendments to the Master Agreement (which were subsequently not taken to the Trustees given other necessary changes). One such item was the service of alcohol. Mr. Root shared information provided by John Shupe, the District's attorney, indicating that the Foundation has the legal authority to serve alcohol for fund raising events, as long as they are not in conjunction with athletic events. A one-day alcohol permit for the event must be obtained by the Foundation if the event is to be held on District property, and off-site facilities must be in possession of a license to serve alcohol.

The Foundation Executive Director's reporting relationship and the District's supplement for Foundation's operating costs, as noted above in the Treasurer's comments, will be added to the Master Agreement.

Mr. Root and Ms. Zent will plan to meet at a date in the future, following adoption of the District's Budget, in order to discuss these items, as well as the Master Agreement as a whole after which the Master Agreement will be brought back to the Foundation Board for approval. Subsequently, the Master Agreement will be sent to the Trustees for approval and then forwarded to the State Chancellor.

IX. Chancellor's Comments

Chancellor Perez touched on friend-raising activities. She discussed her vision to give students pride in who they are and where they come from in order to build leaders that will in turn serve the community.

Chancellor Perez made note that the District's policies on naming of facilities have been changed. She also mentioned that the District has allocated bond money to renovate the Chancellor's suite where the new Foundation offices will be located.

X. Approval of Administrative Assistant Position Description

This item was changed to Information.

XI. Appointment of Administrative Assistant

This item was changed to Information.

XII. Executive Director's Report

Ms. Cassidy gave a PowerPoint presentation on the status of progress made to date.

XIII. Adjournment

The Foundation meeting adjourned at 1:55 p.m.

Ronald Root
Secretary/Treasurer