



Board of Directors

Regular Meeting

June 8, 2010

YCCD Board Room
2201 Blue Gum, Modesto
8:00 a.m.

Modesto Junior College Foundation

Board of Directors

Monthly Board Meeting

Tuesday, June 8, 2010

8 – 9:00 a.m. Meeting

YCCD Board Room

2201 Blue Gum Avenue

Agenda

Approval of Agenda i

Consent Agenda

1. Approve May 11, 2010 Minutes..... 1

Correspondence

Discussion/Action Agenda

Passport to College Update.....Peggy Kroll

Reports

1. District Report.....Dr. Roe Darnell
2. College ReportDr. Ken White
3. Executive Director Written Report.....Gene Hill.....3
4. Foundation Board Liaison.....Paul Neumann
5. Investment Report.....Ron Ramont.....5
6. Budget ReportGary Whitfield.....2
 Investment and Spending Polices.....Gary Whitfield.....26
7. Passport to College.....Gigi Sherriffe
8. Alumni Association Report.....Bryan Justin Marks
9. Craft Faire.....Gary Watts
10. Casino Night-Beer & Wine Tasting.....Bryan Justin Marks,
 Paul Neumann
11. Summer Sonata.....Babette Wagner,
 Eileen Faria

Other Business/Announcements/Events

Thursday, July 8th – Welcome Reception for Dr. Gaither Loewenstein

Thursday, July 15th – MJC Summer Sonata, 6 pm

Thursday, August 26th – MJC Scholarships Reception

Friday, August 27th – Fall Institute Day (Purdy Award Presentation)

Next Board Meeting: Tuesday, August 10, 2010

*There will not be a board meeting scheduled for July due to the Summer Sonata.

Location: YCCD Board Room

Adjournment

Modesto Junior College Foundation
Board Meeting Minutes
May 11, 2010
YCCD Board Room

Present: Jerry Cooper, Roe Darnell, Sandy DeWalt, Eileen Faria, Gene Hill, Judith Lanning, Bryan Justin Marks, Paul Neumann, Ron Ramont, Mike Riley, Gigi Sherriffe, Babette Wagner, Gary Watts, Jim West, Gary Whitfield

Present via Conference Call: Mike Pimentel

Absent: Matthew Bryant, Rocki Cohen, Steve Collins, Sabrina Enevoldsen, Jim Johnson, Geoffrey Hutcheson, Amy Neumann, Colleen Preston, Jon Zagaris

Guests: Mark Anglin and MJC Agriculture Students

Check Presentation to MJC Agriculture Department

On behalf of the MJC Foundation, Gary Watts presented a *symbolic check* in the amount of \$511,986.25 from the estate of Olga Luchessa, to the students in the agriculture program at Modesto Junior College. One half of the amount will be for men agriculture students and will be called "The Angelo Luchessa Agriculture Scholarship." The other half will be for women agriculture students and will be called "The Olga Luchessa Agriculture Scholarship."

1. Review of Minutes

The April 13, 2010 minutes were reviewed. After a motion by Bryan Justin Marks and a second by Paul Neumann, the minutes were unanimously approved.

Review of Agenda

There were no changes to the agenda.

Correspondence

The Correspondence binder was circulated.

Discussion/Action Agenda

There were no Discussion/Action Items.

Reports

1. District Report

Roe Darnell reported that the college is waiting on the budget revise in May. Later that day the final pricing for the bond projects will be announced. The last issuance for the bond projects was 84 million dollars. The Modesto Bee recently published a nice article about the construction at Modesto Junior College.

2. College Report

There was no College Report.

3. Executive Director Report

The report from Gene Hill was included on pg. 4 of the board packet. Babette Wagner asked to add Sandy DeWalt's name to the attendance under Jum Morris Scholarships and Foundation Board President's Scholarships. Babette also asked that Linda Hoile, Barbie Page, Bryan Justin Marks, and Sandy DeWalt be recognized for their help during the President's Circle social on April 23rd. Babette thanked Gene Hill, Sandy DeWalt, and Bryan Justin Marks for setting up for the Modesto Nuts Fundraiser on April 24th. Under the Osher Matching Dollars update, Judith Lanning added the Osher funds are held by the State-Wide Community College Foundation.

4. Investment Report

The Investment Report and Foundation Portfolio Review for the performance period 08/01/1999 to 04/30/2010 was included on pg's. 8-23 of the board packet.

5. Budget Report

The Budget Report was included on pg's. 24-29 of the board packet.

6. Passport to College

Peggy Kroll will be invited to the next Foundation Board meeting to give an update on the program.

7. Alumni Association

Bryan Justin Marks announced Mr. Jeremy Renner along with his family attended MJC's Commencement where he accepted the 2010 Distinguished Alumni Award. He appeared on the local news accepting his award at MJC. Bryan discussed the possibility of working with Mr. Renner on future college projects. Bryan reported the Class Reunion 1949-1951 was a success. About 100 Alumni returned to MJC and were greeted by MJC's new President, Dr. Gaither Loewenstein. Planning for Fall Alumni events are underway.

8. Modesto Nuts Fundraiser

Gary Watts reported the Modesto Nuts Fundraiser went really well. There is talk of possibly scheduling another one in the near future. Please turn in all outstanding money to the Foundation Office as soon as possible.

9. Craft Faire

Paul Neumann mentioned that he spoke with a faculty member whose wife is connected to a large group of "crafters" that might be interested in participating. Judith added there are many "scrapbookers" in the area also.

10. Casino Night-Beer & Wine Tasting

Minutes from the Committee were included on pg's 30-31 of the board packet. Bryan Justin Marks announced venue locations are being explored and they will be looking into the Peterson Event Center and the McHenry Museum. Bryan also spoke with someone at the SOS Club. Several dates were explored and May 2011 is a possibility.

11. Summer Sonata

Summer Sonata Committee notes were included on pg's 32-33 of the board packet. A list of sponsors and auction items was shared at the meeting. Paul Neumann pledged another table for Wille Electric and Jim West pledged a table for J.S. West and Companies. Gary Watts thanked Babette Wagner and Eileen Faria for their hard work on the Sonata.

Other Business/Announcements/Events

Gary Whitfield recommended a Finance Committee meeting prior to the June Board Meeting. The Spending and Investment Policies need to be reviewed and approved by the Foundation Board.

Thursday, July 8th – Reception for Dr. Gaither Loewenstein, 6 pm – Office of J.S. West and Companies

Thursday, July 15th – MJC Foundation Summer Sonata, 6 p m – Gallo Center for the Arts

Thursday, August 26th – MJC Scholarships Reception, 4 pm – MJC, Sierra Hall 132

Friday, August 27th – Fall Institute Day (Purdy Award Presentation) - TBA

Next Board Meeting: Tuesday, August 10, 2010

Location: YCCD Board Meeting

ADJOURNMENT

Written Report

To: MJC Foundation Board of Directors

From: Gene Hill, Executive Director

Date: June 8, 2010

A year and a half has passed, and my time with the Foundation is quickly coming to an end. I want to express deep appreciation for the opportunity to have served the Foundation, College, and District, as well as working with you on the Foundation team. Even though we are in challenging economic times, I do believe the best is just ahead! I will miss Modesto, and count it a privilege to have met new friends in this area. All the very best to you! Thank you, everyone!

Here's a quick update:

Paul Neumann – Foundation Board Liaison

Foundation President-Elect Paul Neumann will become the Foundation Board Liaison on July 1st. He will work with the current Foundation staff, Foundation Board of Directors, and incoming MJC President Dr. Gaither Lowenstein. Paul has been meeting regularly with Sandy, Gigi, and me so that there might be a smooth transition. As I mentioned last month, Paul is a seasoned professional in leadership, board development, and the constituencies of the College and District.

Summer Sonata – Five Weeks and Two Days and Counting!

We are 5 weeks and 2 days from the 14th Annual Summer Sonata! **Every board member needs to help the entire team with table sponsorships, ticket sales, and auction items!** The Summer Sonata is the Foundation's main fundraising event generating dollars for the ongoing work of the Foundation. Babette Wagner and Eileen Faria are co-chairing the Sonata Committee and doing an excellent job! Please let them know how you might assist in these efforts. Thank you! We need everyone to make an EXTRA EFFORT!!!

Jeremy Michael Kelley Linux Computer Lab Dedication A Success

Electronics 116 was filled to capacity May 7th for the dedication of the Jeremy Michael Kelley Linux Computer Lab. A former MJC student who died last summer in a motorcycle accident, family, friends, and co-workers gathered together to remember and honor Jeremy's life and legacy. A \$135,000 donation has ensured that countless MJC students will benefit from the computer sciences, and in particular, the Linux model. Chancellor Darnell, Interim President White, as well as Trustees Riley, Abshire, and Flores were in attendance. Many of Jeremy Kelley's co-workers from Zynga in San Francisco also attended.

MJC Reunion – A Great Success!

Many thanks to Sandy DeWalt and Bryan Justin Marks (MJC Alumni Association) for an outstanding Class Reunion for the MJC Classes of '49, '50, and '51! They, along with the Reunion Committee, did a great job! Nearly 100 friends and guests from throughout the country attended. MJC President-Elect Dr. Gaither Loewenstein, and his lovely wife, Hope, also attended, bringing their first "official" greeting at Modesto Junior College!

Passport To College – Growing!

The Passport To College program has welcomed all three participating schools – Fairview, Franklin, and Orville Wright – to the MJC campus recently! Program Coordinator Peggy Kroll and Foundation Major Gifts Officer Gigi Sherriffe continue to do an outstanding job in growing this program, instituted by former MJC President Dr. Richard Rose. The funding for this program continues to grow also! Wells Fargo Bank presented a check for \$5,000 on May 24th! Thank you, Wells Fargo!

Dave Ashleigh Aquatics Center Dedication Attracts Over 200 Guests

May 22nd was a day to honor former Olympian and MJC Coach, Dave Ashleigh, with the naming of the MJC swimming pool area as the Dave Ashleigh Aquatics Center! Nearly 250 friends, family, and guests, from throughout the country came together to celebrate the countless contributions of Coach Ashleigh to water sports, not only locally, but globally! Foundation Board Liaison Paul Neumann spoke on behalf of Chancellor Roe Darnell, as well as Interim MJC President Ken White, Foundation Board President Gary Watts, and Foundation Executive Director Gene Hill. Foundation Board members Geoff Hutcheson, Dr. Jim Johnson, Steve Collins, Mike Riley, Paul Neumann, and Gary Watts attended.

Osher Brochure Developed

The Bernard Osher Endowment brochure is with our graphic artist, and should be printed and available by July 1st. The MJC Foundation has a rare opportunity to raise funds for the California Community Colleges Scholarship Endowment and to have every dollar raised then matched at a 50% rate (through June 30, 2011).

MJC Scholarship Reception

Thursday, August 26, 2010, 4:00 p.m., Sierra Hall, Room 132

Presentation of the Jum Morris Annual Scholarships, Foundation Board President Scholarships, and the Bernard Osher Scholarships

Purdy Awards

Friday, August 27, 2010, Morning, MJC Performing Arts Auditorium

Presentation of the Purdy Award for Excellence in Education (one classified/one certificated)

(The Board will need to decide monetary amounts for these awards. In the past \$1500 awards have been made, but with current finances, the Board might consider the amount being lowered. Nominations are now being received.)

Coming Up

- Foundation Reception for new MJC President and First Lady, Dr. Gaither and Mrs. Hope Loewenstein
Thursday, July 8, 2010
J.S. West & Companies
- 14th Annual Summer Sonata
Thursday, July 15, 2010, 6:00 p.m.
Gallo Center for the Arts
- MJC Scholarship Reception (Jum Morris, Foundation President, Bernard Osher Award Presentation)
Thursday, August 26, 2010, 4:00 p.m.
Sierra Hall – MJC West Campus
- MJC Institute Day (Purdy Award Presentation)
Friday, August 27, 2010, 8:30 a.m.
MJC Performing Arts Auditorium

Foundation Board Schedule

- No Meeting In July
- August 10, 2010, 8:00 a.m., YCCD Board Room
- September 14, 2010, 8:00 a.m., YCCD Board Room
- October 12, 2010 (Annual Meeting), 8:00 a.m., YCCD Board Room

MODESTO JUNIOR COLLEGE FOUNDATION

INVESTMENT POLICY

The mission of the Modesto Junior College Foundation (Foundation) is to provide awareness of and support for the students, activities and programs of Modesto Junior College (College). This awareness and support may be done through various Foundation activities to promote contributions, which the Foundation will manage and distribute in a manner consistent with the goals of the college to provide to the students and community a variety of educational and cultural activities.

The Foundation follows the Uniform Prudent Management of Institutional Funds Act of 2008 (UPMIFA) and its own governing documents. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Foundation's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's investment and spending policies work together to achieve this objective! The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is a rate of 6%. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on money market funds, bond funds, and equity based investments to achieve its long-term return objective within prudent risk parameters.

The Foundation operates under the guidance of a Board of Directors (Board) and in conjunction with support from members of its staff and the administration of the College. The Foundation's Board is comprised of community members as well as a selected member of the administrative staff of the College, all of whom serve specific terms. In addition, the position of President of the College has a permanent position on the Board.

DELEGATION OF AUTHORITY

All funds of the Foundation are held by the Board, as the steward, for carrying out its mission. The Board has established a Finance Committee (Committee) comprised of its own members. The Board delegates supervisory and contractual authority, as related to its funds, to the Committee. The Committee is responsible for regularly reporting on the investment of these funds to the full Board of Directors. In carrying out its responsibilities, the Committee and its agents will act in accordance with the policies of the Board and all applicable laws and

regulations. The board reserves to itself the exclusive right to revise or grant exemption to all applicable policies.

The Committee is authorized to retain one or more investment advisors (Advisors) and one or more investment managers (Managers) to assume the investment management of the Foundation's funds and/or assets owned or administered by the Foundation. In discharging this authority, the Committee acts in place of the Board and will make all investment decisions. If the Committee retains an Advisor, the Advisor will implement the Board's investment policy under the direct supervision of the Committee. The Committee also may receive reports from, pay compensation to, and enter into agreements with any such Advisors and/or Managers.

OBJECTIVES

The primary investment objective of the foundation is to preserve and protect its funds. The Committee will insure the safety and soundness of its funds while earning a total return for each of its funds or sub-funds, appropriate to each fund's time horizon, liquidity needs, and risk tolerance. Additionally, if any bequest, donation or endowment having specific investment criteria, is accepted by the Foundation, those criteria will be adhered to without exception. Any common stock or convertible security bequest or donation accepted by the Foundation, without specific investment criteria attached will be sold immediately and the funds invested as directed by this policy.

ASSET MIX

To accomplish the Foundation's investment objectives, the Committee is authorized to use portfolios of equity securities (common stocks and convertible securities), fixed-income securities, and short-term cash investments directly or through pooled or mutual funds. As an aid in accomplishing these objectives, when an Advisor and/or Manager is retained, that Advisor's and/or Manager's recommendation will remain within the ranges provided in Exhibit A. These ranges can be modified from time to time upon recommendation of the Committee and final approval by the Board. The actual investment targets shall be set within those ranges by the Committee after receiving recommendations from any retained Advisor and/or Manager. If limitations in the investment objectives are exceeded due to market fluctuations, the Advisor shall rebalance the portfolios at least annually following the close of the fiscal year.

Exhibit A

(Acceptable Ranges of Investment Per Fund or Category)

Investment Fund	Asset Classes		
	Fixed Income*	Short Term*	Equities*
Operating Reserves	0%	0 – 50%	50 – 100%
Annuity Reserves	30 – 60%	25 – 75%	0 – 35%
Charitable Trusts	30 – 60%	40 – 75%	0 – 35%
Restricted Funds	40 – 60%	20 – 60%	0 – 20%
Unrestricted Funds	40 – 60%	20 – 60%	0 – 20%

Modesto Junior College Foundation, 435 College Avenue
Modesto, California 95350 (209) 575-6068

- *Fixed Income – U.S. government and agencies, corporate and high grade foreign bonds, preferred stocks
- *Short Term – Cash, cash equivalents and one-year notes
- *Equities – Common and convertible securities

ASSET QUALITY

Common Stocks – The quality rating of at least 80 percent of the market value of common stocks should be B+ or better as rated by Standard & Poor's or other equivalent rating service. Non-rated common stock may be used within the foregoing guidelines.

Convertible Preferred Stocks and Convertible Bonds – Convertible preferred stocks and convertible bonds may be used as equity investments. The quality rating for either must be BBB or better, as rated by Moody's or Standard & Poor's. The common stock into which either may be converted must be rated as specified in the Common Stock section above.

Fixed Income Securities (including preferred stocks) – The quality of at least 90 percent of the market value of the bonds, notes or preferred stocks must be BBB or better, as rated by Moody's or Standard & Poor's. The portfolio may consist of only traditional principal and interest obligations (no derivatives) with an average duration of six years or less.

Cash or Cash Equivalents – The quality rating of commercial paper must be A-1 or better, as rated by Standard and Poor's, or P-1 or better, as rated by Moody's.

Mutual Funds – The assets of any mutual funds must comply with the quality provisions for the applicable asset class.

ASSET DIVERSIFICATION

Reasonable diversification will be maintained at all times within the portfolio. The investment in the equity securities of any one company shall not exceed five percent and the total securities position (debt and equity of one company) shall not exceed ten percent of the portfolio. Reasonable sector allocations and diversification shall be maintained. No more than thirty percent of the entire portfolio may be invested in the debt and/or equity securities of any one-industry sector.

TRANSACTIONS

All purchases of securities will be for cash and there will be no margin transactions, short selling, or commodity trading.

REPORTING REQUIREMENTS

Any retained Advisor will provide *the Foundation or designee from the Modesto Junior College Business Office* with a written statement containing all of the pertinent transaction details for each separately managed fund as follows:

Monthly – (1) The name and quantity of each security purchased or sold, with the price and transaction date. An analysis for each security with its description, percentage of total portfolio, purchase date, quantity, average cost basis, current market value, unrealized gain or loss, and indicated annual income and yield, (2) an analysis for the entire portfolio of the current asset allocation by investment category, (equities, fixed income, and cash equivalents).

Periodically – Quarterly, or more frequently at the request of the Committee, any retained Advisor shall provide the Committee detailed information about (1) asset allocation, (2) investment performance, (3) future investment strategies, (4) each portfolio Manager's performance measured against index benchmarks and peers for relevant periods, and (5) any other matters of interest to the Committee.

Annually – Any retained Advisor shall provide a report to the full Board on the investment performance of the entire portfolio, as well as the performance of each of the funds making up the total.

Every 3 Years (beginning with the 2013 fiscal year) - The Committee will review and modify if necessary, the MJC Foundation Investment and Spending Policies. In addition, the Committee will evaluate the Financial Advisor and if deemed necessary the Foundation will open the bid process for Finance Advisor services.

CASH FLOW REQUIREMENTS

The Foundation will be responsible for informing any retained Advisor in a timely manner of its cash distribution needs. Any retained Advisor is responsible for providing adequate liquidity to meet the Foundation's cash flow requirements in accordance with Board policy.

MODESTO JUNIOR COLLEGE FOUNDATION

Spending Policy

The following are the Spending Policies for the Modesto Junior College Foundation, an independent foundation, as they affect both restricted and unrestricted funds:

Restricted Funds: *The spending policy calculates the amount of money distributed annually from the Foundation's various endowment funds for scholarships, specific purposes, administration and asset management expenses. The current spending policy is targeted to distribute from a floor of 0%, but no more than 7% of a moving three-year average of the fair market value of the endowment. Accordingly, over the long term, the Foundation expects its current spending policy to allow its objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.*

These funds are typically the Foundation's Temporarily Restricted accounts where the donor has specified the use of the funds. Only the amount that exceeds the corpus plus a 5% reserve on the corpus is allowed to be distributed; i.e., interest income, unrealized gains/losses less expenses.

To that the Foundation's stated policy is as follows:

- 1. Distributions from the endowment funds will be targeted at a floor of 0% and will have a ceiling of 7% of the moving three-year average of the fair market value of the endowment. This stays within prudent spending limits some states have adopted with UPMIFA. This will allow assets to grow over time to keep up with inflation and needs identified by the endowment.*
- 2. Distribution amounts for the following year will be calculated on the endowment account balance as of December 31.*
- 3. At no time will the funds be distributed from the corpus or the 5% reserved in excess of the corpus (excluding the management and asset manager fees).*

Modesto Junior College Foundation, 435 College Avenue
Modesto, California 95350 (209) 575-6068

4. *At no time will unrestricted funds be used to make up for declines in market value that affect the corpus.*
5. *Estimates of the amount of the distribution (a range) will be given to the College upon request.*
6. *Funds must be used as specifically stated by the donor(s).*

Unrestricted Funds: These funds are donations that typically come from Fundraising Campaigns and Events and are unspecified by the donor as to their use. These funds are under the direct control of the Foundation, its officers, and its Board of Directors. To that the Foundation's stated policy is as follows:

1. The Board of Directors of the Modesto Junior College Foundation or its appointees will approve the use of funds.
2. The Foundation Board or its appointed representative in agreement with Modesto Junior College and the Yosemite Community College District can use funds to pay Foundation Staff as agreed upon.
3. Funds can be used for operation of the Foundation Office as it effects its business operation, i.e., equipment, supplies, phone expenses, education of staff, etc.
4. Funds can be used to support staff's cultivation of potential donors and business contacts; i.e., Expense Account. These will be inclusive of breakfast, lunch, and dinner, and entertainment as it applies to such cultivation, inclusive of alcohol (with prudence) and community events, such as golf tournaments, evening events, etc.
 - A. All expense account payments must be approved by the President of the Foundation or the Treasurer prior to payment.
 - B. All requests for expense account payment must be accompanied by the proper back up and/or receipts.
5. Fund requests from faculty and staff must go through their Division Dean and forwarded to the appropriate cabinet member. Any proposed expenditures, using Foundation unrestricted funds, must be approved by Cabinet and the President of the College prior to consideration for approval and potential funding by the Foundation Board.

6. *Foundation expenditure reimbursements for the MJC President will be approved by the Chancellor and will be signed by the Foundation Director, the Foundation President and/or the Treasurer of the Foundation.*

Gary Watts, President, MJC Foundation

Approved: June 8, 2010

DRAFT