



**Wednesday, June 26, 2013**

**Board of Directors Meeting  
5:00 – 6:30 pm  
District Board Room**

**Board Present:** Advani, Andersen, Barram, Cheng, Davis, Dubin, Elliott, Krause, Levy, Manwani-Bhagat, McKenna, Miner, Murphy, Neiman, Sathaye, Santora, Smith, Tankha, and Thor

**Staff Present:** Alexander, Woodworth, and Williams

**Guest:** Kevin McElroy, Vice Chancellor of Business Services

### MINUTES

May Minutes Approved

#### **Mission Moment**

- Foothill Economics instructor, Brian Evans, and student members of the Foothill Microcredit Club (Hriday Thakkar, Thomas Margesson and Deanna Woodman) made a presentation to the board.
- The mission of the Microcredit Club is to take action to eradicate global poverty; to that end, they educate themselves, educate others, and raise money to support two particular organizations: KIVA and The School Fund (TSA). The students explained how they hosted a dinner attended by fellow students, friends and family, and invested the funds raised in KIVA that provides microcredit loans to individuals, and TSF that pays the school tuition of young kids in developing countries. Brian reported KIVA keeps track of all finances, and club treasurer tracks the re-investing of microcredit loans. The club provides learning opportunities, allows students to be rewarded for their efforts, and illustrates that they can make a difference when they take action.
- The FHDA Foundation board members generously collected \$330 for the Microcredit Club. At the conclusion of meeting, the Board approved discretionary funding of \$1,000 to the Microcredit Club.

#### **Finance Committee Report**

- Neiman reported investments are about the same as last month. Investment assets are at a high of \$33 million. As of 05/31/13 the Foundation raised slightly over \$4.2 million out of our \$4.4 million fundraising goal, so predicts probable 5% shortfall.
- Neiman reported Budget FY13/14 was sent as part of the packet, is ready to be approved and adopted at this meeting. Highlights include:
  - Fundraising budget was increased by 10% and incorporated in this budget; balance shows we will have a small surplus of \$5,000
  - Our endowments are still a little underwater in terms of fair market value versus book value, that's largely a function of timing, given some of the funds came in when the market was heading south and haven't had time to recover. In recognition of that, we recommended a change for next year to reduce the draw on the endowment fund from 1.7% last year down to 1.0%. Hopeful that this reduced draw combined with

equity and bond markets will help the endowments get up to par by the end of the fiscal year.

- **Action:** *Neiman moved to approve the FY 2013-14 budget.*
  - *All in favor*
- Trustee Barram inquired at end of meeting for an update on any follow up with De Anza student members of 350.org. Neiman explained the students were asked to demonstrate that this issue has broad consensus across both campuses, with students, staff and faculty and then come back to the Finance Committee.

## Presidents' Report

### De Anza

- Murphy invited everyone to attend Commencements this week: Foothill is Friday evening and De Anza on Saturday. Mentioned 1900 students graduated with degrees and certificates.
- Reflected on this period of transition, illustrated by the retirement and farewell dinners recognizing 47, 39 and 36 years of dedicated faculty and staff service.
- Murphy reported De Anza is hiring. Due to our obligations to full time faculty, and the loss of over 27 faculty members over the past two years, De Anza hopes to hire back nine.
- Murphy remarked about the pleasure of attending transfer celebrations, when so many students have received their notification letters and the sheer joy of seeing multigenerational families with big grins on their faces. Hundreds of students received \$250,000 in scholarships; Murphy extended special thank the many donors and the Foundation for their efforts in this important work.

### Foothill

- Miner reported the recent "Foothill is a Gem" event hosted by the Foothill Commission raised over \$5,200 for the Family Engagement Institute's Stretch to Kindergarten program. A turnout of about 100 guests came to the campus center to patronized eight local jewelers as well as a chance to learn about her collection and view several jewelry pieces on display.

## Board Governance

- Levy thanked the Executive Committee for their service
  - **Action:** *Levy moved to approve the new Executive Committee*
    - *All in Favor*
- New Slate of Officers were announced:
  - President: Kathleen Santora
  - Vice President: Don Aoki
  - Secretary – Lisa Elliott
  - Treasurer – Martin Neiman
  - Past President – Ben Dubin
- **Action:** *Levy moved to approve the new 2013-2014 Slate of Officers*
  - *All in Favor*

- Alexander thanked Nominating Committee members, Sue, Diane and Anita for their service

### **Chancellor Report**

- Thor departed from usual report to discuss a Board Development item that details some of the differences between serving on an auxiliary organization board versus serving on a non-profit (NPO) board. A number of times this year questions have arisen about this subject, and proceeded to highlight the differences and general responsibilities of an auxiliary board.

### **Responsibilities**

- FHDA Foundation is under the auxiliary organization law that is under the California Education Code and like other non-profits is a 501(c) 3 authorized by the IRS; in many aspects is similar to the board of a NPO, but not identical.
- Board of Directors of a NPO by law provides general direction through the development of policy, and the Board of Directors of an auxiliary organization is not involved in the formal operations of the organization.
- Another responsibility deals with administration and involves the relationship with Executive Director, which is to provide some general guidance and policy, and give input to the Chancellor on the evaluation of the Executive Director by providing feedback.
- Includes responsibility to periodically review the by-laws under the articles of incorporation as necessary; review of the general fiscal status of the organization, approve the budget and the annual audit; choose officers, recruit and select board members, meet on a regular basis and communicate regularly.

### **Planning**

- Leadership in setting short and long term direction and goals for the organization so that we can accomplish our bigger objectives of supporting our students and programs.

### **Resource Development**

- Tonight's meeting is a perfect example of the functions of an auxiliary organization board, as well as providing help in the identification and solicitation of individuals, corporations and foundations that would support us.

### **Public Information**

- Serving as ambassadors for us out in the community and advocating for the colleges. That is what the law states as your responsibilities are verses that of a NPO board. You are similar to a NPO board in that they also set policy for the organization, including mission, vision and development of a strategic plan; a NPO also serves as public face of organization in fundraising, advocacy, etc.
- Thor restated the major differences between NPO and auxiliary organization: specifically a typical NPO board hires, sets expectations, approves major contracts, and evaluates the organization's Executive Director which is a key difference. For the FHDA Foundation these activities come under the FHDA Community College District, not something the Foundation does independently of the College District. The third area of difference is a typical NPO sets and monitors personnel policy and procedures, and in our situation, the Foundation employees are employees of FHDA College District, and thus falls under our policies, procedures, processes and labor negotiations.

- Barram remarked that District Trustee are responsible for filing the very detailed fiduciary statement with detail of assets, etc. and the conflict of interest statement is different from NPO. Trustee carries burden of liabilities, and stated Foundation board members are covered under the District policy.

### **Executive Director Report**

- Alexander requested board members sign conflict of interest forms for the coming year.
- Happy Birthday was sang to honor Judy Miner and Patricia Williams
- Alexander reported that Foundation staff stuffed “Pay it forward” envelopes into 1,500 Commencement programs at the Foothill Marketing offices – in hopes of planting a seed to give back.
- Alexander mentioned she attended a community event where Anita Manwani-Bhagat was one of the honorees. A lovely event that included a fashion show where Anita participated as model of designer saris.
- Announcement made about intensive summer construction starting July 1 through September 17, that will require closure of several parking lots and controlling traffic on an access road on the Foothill campus. Lots 1 and 6 will be closed; as well as 1C in front of the District Office building will be closed. In September, we’ll have more efficient parking and a new access road through Lot 1. With the new road, cars that park in Lot 1, at Plant Services and in the lots around the District Office Building may enter and exit the campus without having to travel around the Loop Road. Taking traffic off the Loop Road will reduce our carbon footprint and significantly improve pedestrian safety (Measure C project).
- Alexander also reported the District Office will move to temporary village in Lot 5 the beginning of November for one year, while the whole building is modernized.
- In an effort to enhance board member experience, Alexander asked board members for their thoughts and ideas on how to improve meetings. Members can email ideas to Kathleen Santora. A few ideas shared include:
  - Try different meeting locations during year District Board Room is under construction
  - Mission Moments are wonderful and should be continued

### **De Anza Commission**

- Smith reported since the Commission’s May retreat members are still working to identify new activities where they can contribute and become involved. Members are interested and willing to give time and effort, and focused on recruiting new people onto the Commission.

### **New Business**

- Krause presented a \$1 million check designated to the Endowed Teacher Fund. This check will be deposited the first of July, and Gay and Bill were thanked for beginning the FHDA Foundation’s new fiscal year with this very generous donation.

*Meeting adjourned at 6:15 pm*

**NEXT BOARD MEETING:  
August 28, 2013**