

San Joaquin Delta College District Foundation

Regular Meeting of the San Joaquin Delta College
Foundation Board
Monday December 9, 2013
2:30 p.m.
Horton Administration Bldg.
Room 103
5151 Pacific Avenue, Stockton, CA 95207

Agenda

SJDC Foundation Board Members

Dr. Elizabeth Blanchard
Stockton Ports Commissioner
SJDC Adjunct Faculty

Susan Grupe DePolo
San Joaquin A+

Dr. Moses Elam
Physician in Chief
Kaiser Permanente Medical Group

Janet Rivera
San Joaquin Delta College Board of Trustees

Jeff Wright
Lodi Unified School District

Carl Toliver
Retired, SUSD Superintendent

Dr. Kathy Hart
SJDC Superintendent/President

SJDC Foundation Staff

Valerie Stewart-Green
Executive Assistant to the
Superintendent/President/Board of Trustees

Shelley Pierce
Senior Accountant
Business Services

- I. **Call To Order and Roll Call**
- II. **Public Comments**
- III. **Reports/Information**
 - A. none noted
- IV. **New Business - Action Items**
 - A. Approval of September 9, 2013 Minutes (attachment)
 - B. 2013/14 First Quarter Financial Reports (attachment)
 - C. Listing of New Gifts and Donations (attachment)
 - D. Establishment of Community Foundation Account
 - E. Response from State Chancellor's Offices Regarding Investment Limitation (attachment)
- V. **Discussion**
 - A. Foundation Mission/Goals
 - B. Suggestions for Funding
- VI. Agenda Items for Future Meetings
- VII. Foundation Board Member Questions/Announcements



SAN JOAQUIN DELTA COMMUNITY COLLEGE FOUNDATION

MINUTES OF THE REGULAR BOARD MEETING Monday, September 9, 2013

The regular meeting of the San Joaquin Delta Community College Foundation was held on Monday, September 9, 2013 at 2:30 p.m. Public Meeting; Administration 103, 5151 Pacific Avenue, Stockton, California.

Members Present: Dr. Kathy Hart; Sue DePolo; Janet Rivera; Dr. Elizabeth Blanchard, Jeff Wright

Absent: Dr. Moses Elam

I. **Call To Order and Roll Call**

II. **Public Comment**
No public comments.

III. **Reports/Information**

A. 2012-13 Year End Financial Reports

1. Financial Reports
2. Listing of New Gifts and Donations

Consultant Michael Hill discussed the end of the year financials with the Board of Directors and explained what is needed to help the Foundation grow financially. Mr. Hill explained that since the Foundation has not been active for quite some time, most financial activities have been very restricted. Further, what is needed now is to grow the unrestricted funds for Foundation resources.

In regards to the new gifts and donations, Consultant Mike Hill reviewed past and current donations the Foundation has received.

B. Passport to College Presentation—Michael Kerns, Assistant Superintendent/VP Student Services

Consultant Mike Hill informed the Board of Directors of the need to address the Passport timeline with the Board of Trustees. The timeline is to be given to students detailing how they can complete the eligibility requirements. It was suggested that this issue be put on a board agenda.

C. Investment Policy

Consultant Mike Hill gave current investment policy and government code regarding the foundation to the Board of Directors stating that the policy was from 2005 when the Foundation was considered independent. Mr. Hill stated that he had contacted the Chancellor's Office to pose the question of whether or not the Foundation was subject to the Education Code. In the past, when functioning independently, the Foundation followed the Education Code. Mr. Hill suggested the Board of Directors not change that direction until we get further clarification from the Chancellor's Office.

D. Community Foundation as Outreach Vehicle

Dr. Hart explained how the Community Philanthropy Summit forum worked as a funding raising vehicle. Director Toliver suggested the Foundation hire someone to fundraise rather than "piggyback" on other organizations such as the Community Philanthropy Summit. Mr. Hill stated that the Foundation is not ready financially to hire a fundraiser and explained the advantages of participating with the Philanthropy Summit.

Director Toliver requested Dr. Hart have Mr. Hill do a cost analysis of what it might cost to hire a fundraiser. Dr. Hart asked the Board of Directors to attend the Philanthropy Summit event after meeting for a planning session. Further stating that without a plan there was no need to hire. The Directors agreed to attend the Philanthropy Summit event and in the meantime work on a fundraising plan.

Director Blanchard was asked to set-up a tour of the Port of Stockton in the near future.

IV. New Business - Action Items

A. Approval of June 10, 2013 Minutes

Director Wright motioned and Director Rivera seconded to approve the minutes with corrections. Vote: 6/0; motion carried. Director Elam was not present.

V. Discussion

A. Community Foundation Event

The Board of Directors will attend the November 12th Philanthropy Summit event.

B. Planning Session

After discussion, the Board of Directors chose October 14, 2013 for a planning session and the next regular meeting of the Foundation Board of Directors would be the 2nd Monday in December which is December 9, 2013.

VI. Agenda Items for Future Meetings

1. Planning
2. Passport to College
3. Approval of Community Foundation Agreement

VII. Foundation Board Member Questions/Announcements

None noted.

Adjourned at 4:22 p.m.



Foundation

SAN JOAQUIN DELTA COLLEGE

SJDC Foundation Quarterly Report

The following is a summary of revenue, expense, and net asset activity for the period ending September 30, 2013.

Revenue and Support

	<u>Actuals</u>
Passport to College	\$ 85,164
Gladys L Benerd	39,073
Schultz, Earl, and Bianchi	20,995
Fundraising Revenue	7,710
Other Revenue	22,161
Interest and Investment Income	6,290
Net Realized and Unrealized Gains/Losses	11,498
*Other Contributions and Capital Gifts	15,358
Total	<u>208,249</u>

Expenses

Student Scholarships and Grants	7,000
Student Instructional Program Support	7,996
Beneficiary Payments	1,050
Capital Equipment	-
Other Program Expenses	7,642
Total	<u>23,688</u>

Excess of Revenue over Expenses	184,561
Net Assets, Beginning of Year	<u>4,037,271</u>
Net Assets, End of Year	<u>\$ 4,221,832</u>

*Detail of Other Contributions and Capital Gifts

District Employee Contributions	\$ 375
Businesses and Corporations	-
Individuals, and Estates	14,904
Council Programs	79
Total	<u>\$ 15,358</u>



Foundation

SAN JOAQUIN DELTA COLLEGE

SJDC Foundation Statement of Activities

The following is a summary of revenue, expense, and net asset activity by restriction type for the period ending September 30, 2013.

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenue			
Contributions, Gifts and Grants	\$ -	\$ 97,926	\$ 97,926
Memberships	-	4,300	4,300
Donated Asset Contributions	-	-	-
Operational Revenue	35	-	35
Fundraising Revenue	-	7,710	7,710
Sales	-	2,404	2,404
Net Assets Released From Restrictions	-	-	-
Total	<u>35</u>	<u>112,340</u>	<u>112,375</u>
Other Income			
Realized and Unrealized Gain (Loss) On Investments	-	63,656	63,656
Change In Value of Deferred Gifts	-	-	-
Interest and Dividends	-	23,063	23,063
Total	<u>-</u>	<u>86,719</u>	<u>86,719</u>
Expenses			
Program Services	-	17,594	17,594
General and Administrative	2,094	-	2,094
Fundraising Expenses	-	4,000	4,000
Total	<u>2,094</u>	<u>21,594</u>	<u>23,688</u>
Transfers			
Transfers Between Funds	-	9,155	9,155
Total Other Income & Transfers	<u>\$ -</u>	<u>\$ 9,155</u>	<u>\$ 9,155</u>
Excess of Revenue over Expenses	(2,059)	186,620	184,561
Net Assets, Beginning of Year	68,017	3,969,254	4,037,271
Net Assets, End of Year	<u>\$ 65,958</u>	<u>\$ 4,155,874</u>	<u>\$ 4,221,832</u>



Foundation

SAN JOAQUIN DELTA COLLEGE

SJDC Foundation Summary of Investment Performance

The following is a summary of investments by bank and program for the period ending September 30, 2013.

	Morgan Stanley							
	Shultz, Earl and Blanch	Academic Scholarship	Benard	Councils	County Treasury Councils	Bank of Stockton Passport to College	Tiss Oref (Annuity) Marilyn Jones	Totals
Beginning Market Value 7/1/2013	\$ 671,861	\$ 349,406	\$ 1,235,071	\$ 65,715	\$ 322,870	\$ 410,121	\$ 54,043	\$ 3,109,087
Bank Account Contributions	-	-	-	-	-	-	-	-
Bank Account Withdrawals	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Investment Income & Growth								
Interest/Dividends	4,972	2,758	10,472	417	-	1,328	191	20,138
Sales Proceeds/Redemptions	-	-	-	-	-	-	-	-
Realized Gains/Losses	4,619	549	2,167	-	-	13	(106)	7,242
Other Credits (includes sweeps)	-	-	-	-	-	-	-	-
Total	9,591	3,307	12,639	417	-	1,341	85	27,380
Unrealized Gains/Losses	11,403	8,518	26,433	337	-	7,522	2,201	56,414
Total Investment Income & Growth	20,994	(1,686)	39,072	754	-	8,863	2,286	70,283
Disbursements								
Fees	(847)	(440)	(1,556)	-	-	(1,031)	(148)	(4,022)
Sales	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	(1,050)	(1,050)
Purchases	-	-	-	-	-	-	-	-
Total	(847)	(440)	(1,556)	-	-	(1,031)	(1,198)	(5,072)
Ending Market Value	\$ 692,008	\$ 360,791	\$ 1,272,387	\$ 66,469	\$ 322,870	\$ 417,953	\$ 55,131	\$ 3,187,809
Quarterly Rate of Return	3.00%	3.26%	3.04%	1.15%	0.00%	1.91%	3.96%	2.53%

*Checking of \$1,053,874 with Investments of \$3,187,809 agrees to \$4,241,683 Statement of Assets.



Foundation

SAN JOAQUIN DELTA COLLEGE

SJDC Foundation Market Quarterly Report

The following is a summary of revenue, expense, and net asset activity for the period ending September 30, 2013.

Revenue and Support

	<u>Actuals</u>
Contributions	\$ 20
Sales	162,084
Total	<u>162,104</u>

Expenses

Salaries and Benefits	47,953
Supplies, Food, Vehicles, Gas & Oil	4,593
Management & Staff Travel	(219)
Advertising Promo & Contract Services	2,022
Printing, Duplicating & Banking Charges	1,167
Refuse Disposal	4,215
Security & Fire Systems	4,539
Software, Licenses & Equipment Rental	24,571
Repairs and Maintenance Services	1,063
Other Outgo (Passport)	72,200
Total	<u>162,104</u>

Excess of Revenue over Expenses

Net Assets, Beginning of Year

Net Assets, End of Year

-
-
<u>\$ -</u>



Foundation

SAN JOAQUIN DELTA COLLEGE

SJDC Foundation Statement of Assets

The following is a summary of statement of assets by type and program for the period ending September 30, 2013.

Endowment/Wills, Trusts & Passport to College	Total	Councils - Restricted Cash and Investments	Total
Benerd Fund - Endowment	\$ 1,272,587	Academic Scholarship Council	\$ 360,791
Schultz, Earl and Bianchi - Wills, Trusts	692,008	Council Investments (Health, Ag, Eng & Culinary)	66,469
Marilyn Jones - Annuity	55,131		
Passport to College - Investments	417,953	Other Assets	
Passport to College - Amounts Due	603,888	Restricted Savings	322,870
Subtotal	\$ 3,041,567	Amounts Due To Various Scholarships and Councils	384,028
		Unrestricted Operating Cash	65,958
		Subtotal	\$ 1,200,116
		Total Foundation Cash and Investments	\$ 4,241,683

Benerd Fund

The Benerd fund investments are held at Morgan Stanley. Will states: 90% the first priority shall be for grants to students to pay for child care at the CDC center now under construction. Any remainder shall be used for scholarships for students based on faculty recommendations and financial need. Distributions can't be made from this fund if the FMV is lower than \$1,001,295 at fiscal year end.

Bianchi Fund

The Bianchi Fund investments are held at Morgan Stanley. Will states: The estate on hand and any other property of the decedent or estate not now known or discovered should be distributed to San Joaquin Delta College, to be known as the Ruth Bianchi Scholarship Fund, the income and/or principal of said fund to be used for a student or students whose load is mostly taken in the evening on the basis of ability and need.

Joe Earl

The Joe Earl Funds are held at Morgan Stanley. These funds were given to the Delta College Foundation by Joe Earl (an adjunct faculty member) to fund scholarships. Original deposit was \$15k.

Norris and Elinor Shultz

The Norris and Elinor Shultz funds are held at Morgan Stanley. According to the will this is a revocable trust and the distribution is as follows: 1/3 to San Joaquin Delta Community College Scholarship Foundation. According to documents dated July 9, 1992, original amount of distribution is \$333,333.33.

Marilyn Jones Gift Annuity

The Marilyn Jones funds are held by the Calif. Community College League at TIAA Cref. The Community College League entered into an agreement between Marilyn P. Jones for the benefit of the Delta College Foundation. The agreement provides payments of \$4,200 annually starting on December 31, 2004 and continues for the rest of her life. According to the agreement, CCLC shall use the residuum under this agreement for the benefit of the Delta College Foundation for the purposes of funding the scholarships previously established by Marilyn P. Jones.

Passport to College

The Passport to College funds are held at the Bank of Stockton. Passport to College is funded by the Danner Trust (held at Bank of Stockton) and private donations. The Danner trust allows for distributions of up to 5% of the fair market value of the account per year.

Council Investments

These investments are held mainly at Morgan Stanley.

- 1) Culinary Arts
- 2) Health Sciences
- 3) Agriculture & Natural Resources
- 4) Engineering
- 5) Academic Scholarship Council

Restricted Savings and Amounts Due To Various Scholarships and Councils

Restricted funds which are available in accounts at Wells Fargo Bank.

Unrestricted Operating Cash

Unrestricted funds are available in accounts at Wells Fargo Bank.

Reconciliation of Net Assets

Cash and Investments	\$ 4,241,683
Receivables	5,833
Total Assets	4,247,516
Liabilities	(25,684)
Net Assets	4,221,832



Foundation

SAN JOAQUIN DELTA COLLEGE

SJDC Foundation Donation Listing

*The following is a summary of donations activity
for the period ending September 30, 2013.*

Donor Name	Account Name	Amount
Stockton Symphony	Passport to College	\$ 4,000
Niven	Al Muller	12,800
Various	Al Muller	1,300
Various contributions	Various	1,358
Market Net Rev Trans 13-14	Passport to College	72,200
	Total	\$ 91,658



San Joaquin Delta College

November 15, 2013

Ms. Linda Philipp
CEO/President
Community Foundation of San Joaquin
217 N. San Joaquin Street
Stockton, CA 95202

A handwritten signature in cursive script that reads "Linda".

Dear Ms. Philipp,

Enclosed are the two signed original agreements establishing the Delta College Foundation Agency Fund and. We have opted to go with the 1% agency fund fee and for the time being a Level III investment option. Our selection regarding the investment option could change after our foundation board has had the opportunity to review its investment policy.

We look forward to being a partner with you and the efforts to benefit our community.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Hart".

Kathleen Hart, Ph.D.
Superintendent/President
Foundation Secretary/Treasurer

Enclosure(s)

Office of the President

5151 Pacific Avenue • Stockton • California 95207 • (209) 954-5018



INVESTMENT OPTIONS

- Level I: Cash only** (invested in money market funds)
New pool – no statistics available until 2014
Very short term with no risk and very small return
- Level II: Conservative Fund** (short-term)
75% Fixed Income 25% equities
2012 – 10.70% Return; Estimated Income Yield – 2.83%
Maximum income without little growth
- Level III: Moderately Conservative Fund**
60% Fixed Income 40% equities
2012 – 10.49% Return; Estimated Income Yield – 1.99%
Income with some capital appreciation
- Level IV: Balanced Fund**
50% Fixed Income 50% equities
2012 – 10.86% Return; Estimated Income Yield – 2.09%
Capital appreciation and income
- Level V: Standard Fund** (Long-term)
35% Fixed Income 65% equities
2012 – 12.15% Return; Estimated Income Yield – 1.28%
Higher level of capital appreciation and income
- Level VI: Green Fund** (Socially responsible)
40% Fixed Income 60% equities
2012 – 11.01% Return; Estimated Income Yield – 1.53%
Capital appreciation and income from socially responsible companies

COMMUNITY FOUNDATION OF SAN JOAQUIN

DELTA COLLEGE FOUNDATION
AGENCY FUND AGREEMENT

THIS AGREEMENT made this 15th day, of ~~NOVEMBER~~ in the year 2013, between the Delta College Foundation ("Agency") and the Community Foundation of San Joaquin ("Foundation"), having its principal office in the City of Stockton, State of California.

WITNESSETH:

WHEREAS, the Agency and Foundation wish to establish a financial and legal relationship that serves the mutual interests of each organization and is consistent with the stated purposes of each organization; and

WHEREAS, the Agency desires to create a fund for philanthropic purposes; and

WHEREAS, the Agency may transfer additional property for such purposes;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the Agency does hereby assign, convey, transfer and deliver to the Foundation such funds TO HAVE AND TO HOLD the same and other property which the Foundation may hereafter at any time hold or acquire hereunder and all undistributed income from the foregoing property, NEVERTHELESS as a **component fund** of Community Foundation of San Joaquin, a California charitable corporation and Community Foundation, for the following uses and purposes and subject to the terms and conditions herein set forth:

FIRST: The fund hereby created shall be known as:

The Delta College Foundation Agency Fund

The purpose of which is:

To support the Mission of the Delta College Foundation

SECOND: The Foundation shall hold, manage, invest and reinvest the Fund, and shall collect the income and shall pay and disburse the net income (and principal thereof) exclusively for general charitable uses and purposes in accordance with the provisions specified in the Articles of Incorporation creating the Community Foundation of San Joaquin heretofore adopted by the Board of Directors of the Foundation, all of which provisions are hereby incorporated by reference and conclusively assented to and adopted. (The phrase "charitable uses and purposes" shall be defined as all of those activities, uses and purposes described in Section 501(c)(3) of the Internal Revenue Code.)

THIRD: Interest and/or principal of the Fund shall be disbursed for general charitable uses and purposes of the Agency headquartered in Stockton, California. The fund shall maintain a minimum of no less than \$5,000.

FOURTH: The Agency may from time to time submit recommendations to the Foundation concerning the distribution of income and principal (to the extent not disbursed pursuant to paragraph THIRD hereof) exclusively for general charitable purposes. Such recommendations may be accepted or rejected, in whole or in part, by the Foundation in its sole and absolute discretion.

FIFTH: The Foundation shall charge an administrative contribution fee of:

- 1.0% annually for services and expenses OR
- 0.5% annually for services if Agency elects to contribute 5% of its deposits to the Community Foundation's Endowment.

SIXTH: It is intended that the Fund shall be a component part of the Foundation and that nothing in this Agreement shall affect the status of the Foundation as an organization (i) described in section 501(c)(3) of the Internal Revenue Code of 1986 ("Code") and (ii) which is not a private foundation within the meaning of section 509(a) of the Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and to conform to the requirements of the foregoing provisions of the Federal tax laws and any regulations issued there under.

SEVENTH: All transfers of property under this Agreement are subject to the condition that the Foundation, as of the date of transfer, is classified in good standing by the Internal Revenue Service as an organization (i) described in section 501(c)(3) of the Code and (ii) which is not a private foundation as defined in section 509(a) of the Code.

EIGHTH: All transfers of property under this Agreement are subject to the condition that the Agency, as of the date of transfer, is classified in good standing by the Internal Revenue Service as an organization which is not a private foundation as defined in section 509(a) of the Code.

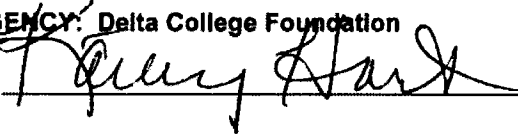
NINTH: The Fund created by this Agreement shall be administered in and under the laws of the State of California, and this Agreement and the validity thereof shall be governed by and construed in accordance with the laws of the State of California.

TENTH: The Fund is not protected from obsolescence. Should the purposes for which it was created ever become obsolete, impractical, or incapable of fulfillment, it is the responsibility of the Foundation's Board of Directors to use the funds for a charitable purpose as similar as possible to those set forth in this Agreement as advised by the Agency's Board of Directors.

ELEVENTH: The Agency may grant to itself or to any other qualified 501(c)(3) organization it so designates any or all of its funds under Foundation management upon no fewer than 30 days notification of such action in writing.

IN WITNESS WHEREOF, the Agency and the Foundation have executed this Agreement as of the date first above written.

AGENCY: Delta College Foundation

By 

Date 11/15/2013

By _____

Date _____

The Community Foundation of San Joaquin

By: LINDA J. PHILIPP, CEO AND PRESIDENT

Date _____

Zimbra**vstewart-green@deltacollege.edu**

Fwd: Auxiliary Foundations Investment Limits

From : Michael Hill <mhill@deltacollege.edu>

Wed, Dec 04, 2013 09:21 AM

Subject : Fwd: Auxiliary Foundations Investment Limits**To :** Valerie Stewart-Green <vstewart-green@deltacollege.edu>

Here is the Bruckman response that should be the attachment for the item.

From: "Steve Bruckman" <Sbruckman@CCCCO.edu>**To:** "Michael Hill" <mhill@deltacollege.edu>**Cc:** "Kathy Hart" <khart@deltacollege.edu>, "Andrea Meyer (ameyer@foundationccc.org)" <ameyer@foundationccc.org>**Sent:** Tuesday, November 5, 2013 1:30:37 PM**Subject:** RE: Auxiliary Foundations Investment Limits

Mike,

Very sorry for the delay. I am unaware of any specific requirements on investment limits. Education Code section 72675(b)(2) requires each district to "implement financial standards that will ensure the fiscal viability" of the foundation. The Government Code sections applicable to districts may be a useful guide, but I don't believe that foundations are required to comply with them.

I realize this doesn't offer much guidance, but it does allow flexibility.

Steve

Steven Bruckman*Executive Vice Chancellor & General Counsel*
California Community Colleges Chancellor's Office1102 Q Street, 4th Floor
Sacramento, CA 95811-6549(916) 445-8752 *Office/Voicemail*sbruckman@ccccc.edu *E-mail*

From: Michael Hill [mailto:mhill@deltacollege.edu]**Sent:** Tuesday, November 05, 2013 7:55 AM**To:** Bruckman, Steve**Cc:** Kathy Hart**Subject:** Fwd: Auxiliary Foundations Investment Limits

Hi Steve. I was wondering if you have had a chance to look at this issue?

Zimbra

XMAS Party

vstewart-green@deltacollege.edu

To Do

invite

w/o

Tree of lights

From : Valerie

Fri, Nov 01, 2013 04:50 PM

Subject

→ Tim Cummings

David

Dec. 18th
4pm

ge.edu>

- 1) Tā
- 2) Na.
- 3) Boa.
- 4) Orde.
- 5) Lisa to
- 6) PC min (donations) at 3 p.m.
- 7) Get Ado (vert docs)
- 8) Trustee i - Kathy to share with Lisa T

Jan. 14th
✓ Mike Raquel

(get W9 from email Linda sent) done

meet w/ Joe next wk
about mtg room

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Valerie Stewart-Green

Executive Assistant to the Superintendent/President and Board of Trustees-Confidential

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Co
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Dec. 17th
Lunch

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e-mail in error, please notify the sender immediately by return e-mail. Thank you.

Food)
Space

Xmas Party - work orders

Palet + Addei

Palet + Addei

Arland's
Seaside