
ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES

Agenda

Special Board Meeting
Thursday, May 16, 2013

Allan Hancock College
Building B, Captain's Room
800 S. College Drive, Santa Maria, CA 93455

Larry Lahr, President
Gregory A. Pensa, Vice President
Tim Bennett
Bernard E. Jones
Hilda Zacarias
Steven T. Auclair, Student Trustee

- | | <u>Page</u> | <u>Tent.
Time</u> |
|--|-------------|-----------------------|
| 1. Call to Order | | 4:00 PM |
| 2. Public Comment to Closed Session | | 4:00 PM |
| <p>This section of the agenda is intended for members of the public to address the Board of Trustees on items involving the community college district that are being considered in Closed Session. The leading speaker from the audience on each side of an issue will be limited to five (5) minutes. Additional speakers are limited to two (2) minutes. To address the Board of Trustees, please fill out a <u>Request to Address the Board of Trustees</u> form and provide it to the superintendent/president <u>prior</u> to this part of the agenda.</p> | | |
| 3. Adjourn to Closed Session | | 4:00 PM |
| 3.A Personnel Matters (Govt. Code §54957)
Employment of Public Employee – Superintendent/President | | |
| 3.B Labor Negotiations (Govt. Code §54957.6) | | |
| 4. Reconvene to Open Session | | |
| 5. Public Comment | | |

The section of the agenda is intended for members of the public to address the board on items involving the school district. Time limits and procedures to address the Board of Trustees, as stated in the Public Comment to Closed Session, apply to this part of the agenda.

Public comment not pertaining to specific agenda items is welcome under public comment. Testimony on specific agenda items will be welcome during consideration of the item by the Board of Trustees. When public testimony is completed regarding a specific agenda item, discussion is then confined to board members only. This practice is in accordance with laws governing Board of Trustees public meetings.

6. Information Items

6.A. Boyd Estate Donation

3

A report on the Patty Boyd Estate Donation.

7. Adjournment

6:00 PM

The next regular meeting of the Board of Trustees will be held on Tuesday, May 21, 2013. Closed session begins at 4:30 p.m. Open session begins at 6:00 p.m.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the President's Office at (805) 922-6966 ext. 3245. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.



Elizabeth A. Miller, Ed.D.
Secretary to the Board of Trustees



AGENDA ITEM

To: Board of Trustees		Date: May 16, 2013
From: Superintendent/President		
Subject: Boyd Estate Donation		
Reason for Board Consideration: INFORMATION	Item Number: 6.A.	Enclosures: Page 1 of 2

BACKGROUND:

The declaration of trust document states that the assets received from the Patricia Boyd Trust are to be held by the Allan Hancock College Foundation and are to be held and administered as the Patricia J. Boyd fund. The trust further states that the assets of the fund may be merged for investment purposes with any other assets held by the Allan Hancock College Foundation. Income from the fund and as much of the principal and appreciation on principal as the governing board (determined by the Trustees of the estate to be the AHC Foundation Board of Directors) considers appropriate, shall only be used to enhance the physical assets of the Allan Hancock College Music Program, Santa Maria Campus only.

The Allan Hancock College Foundation's assets are primarily invested in several managed investment accounts that are reviewed by the Foundation's Investment Committee on a regular basis. The committee reviews the performance of the portfolios, makes recommendations for changes in portfolio management when there is an indicated benefit in doing so, ensures consistency of the portfolios with the Foundation's Investment Policy, and reviews the annual audit report for the foundation.

The primary investment objectives of the Investment Policy are:

- To provide sufficient total return to support the scholarship program of AHC in a significant way and to support other educational programs wherever possible.
- To preserve and grow investment principal so that scholarship and educational programs can be supported over the long term.
- To maximize the total rate of return on Foundation assets consistent with reasonable standards of prudence and risk tolerance.
- To manage the Foundation's assets with a responsible sense of care, skill and diligence in all decisions.

The policy further identifies acceptable investments, prohibited investments, and requirements for diversification and asset allocation.

Administrator Initiating Item: Elizabeth A. Miller	Final Disposition:
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Having received most of the distribution from the Patricia Boyd Trust, the foundation has issued a request for proposal for investment management services. The proposal indicates that the foundation has recently received a gift of approximately \$10.5 million and with the anticipation that the funds will be invested for approximately three years or until a determination is made related to probable construction. Proposals are to be submitted by May 17, 2013 and will be reviewed by the Investment Committee for a recommendation on how to proceed.

To date, the foundation has received \$10,299,138.70 from the trust and has earned \$113,070.98 in interest, realized gain/losses on the sale of securities, and unrealized gains/losses on assets held in the fund. As of May 13, 2013 the total being held in the fund is \$10,412,209.68.

I am recommending that these assets not be spent or committed until a determination on the feasibility of constructing a concert hall has been made. Once a determination has been made, I would further recommend that the district's business office procedures be used for the commitment and expenditure of resources. These procedures would then require the foundation to reimburse the district for those obligations.

In addition to the distribution from the Patricia Boyd Trust, two additional bequests from Patricia Boyd have been received by the foundation. The first was for \$103,417.43. This amount reflects the proceeds from a Traditional IRA held outside of the trust that named the Allan Hancock College Music Department as the beneficiary. This amount is not subject to all of the restrictions placed on assets held within the trust. The second was for \$159,577.90. This amount reflects the proceeds from an annuity held within the trust naming the music department, rather than the trust, as beneficiary. We have been advised that this amount is also not subject to all of the restrictions placed on assets held within the trust. The total amount of \$262,999.33 has been deposited to a separate Patricia Boyd quasi-endowment account within the foundation.

I am recommending that a portion of these quasi-endowment assets be committed to meet some of the current physical asset needs of the music department. I have requested a listing of currently identified needs from representatives of the department and have discussed with them possible criteria and process for expenditure. As all physical assets are owned, inventoried, and insured by the district, I am recommending that we also use the district's business office procedures for the request, purchase, and receipt of the items. This process will ensure appropriate internal controls and meet all district expenditure requirements. It would also ensure compliance with the intent of the trust proceeds and would require the foundation to reimburse the district for these acquisitions.

A process to include the Allan Hancock College Foundation Board of Directors in the approval process will also need to be established.