

Foundation Finance and Investment Committee (Wednesday, January 17, 2024)

Generated by Juli Maxwell on Wednesday, January 17, 2024

1. OPENING ITEMS

1.1 Call to Order at 3:05pm

1.2 Roll Call

Members Present: Jake Wuest, Paul Hinkes, Barbara Fromm, Dale Landon, Joan Lamb

Members Absent: Jim Williams, Tom Minder

Guests: Kirstien Renna, Catherine Abbott, Mike Hofacre, Rod Garcia, Diane Rubin

Recorder: Juli Maxwell

2. AGENDA

2.1 Pursuant to Government Code Section 54954.2(b)(2), the Board may take action on items of business not appearing on the posted agenda, upon a determination by a 2/3 vote of the Board, or (if less than 2/3 of the members are present, a unanimous vote of those present), that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified.

2.2 Confirmation of Agenda: Approval of agenda for the regular Finance and Investment Committee Meeting of January 17, 2024 with any additions, corrections or deletions.

The agenda was approved as presented.

3. MINUTES

3.1 Approval of minutes for October 27, 2023.

Add to minutes of October 27, 2023, "Joan Lamb was present as a guest." Joan made a motion to approve the minutes with amendments, Dale seconded. Motion carried.

4. PUBLIC COMMENT

4.1 In person and remote public participation is allowed and will be accepted in person, OR by email to codfoundation@collegeofthedesert.edu and submitted for the record during public comment. There is a time limit of three (3) minutes per person. All comments must be submitted or brought forward prior to the end of the public comments section. Accommodations for Persons with Disabilities: Persons with disabilities may make a written request for a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting. All requests should be directed to the COD Foundation office in advance via email to codfoundation@collegeofthedesert.edu.

There were no comments from the public.

5. DISCUSSION AND ACTION ITEMS

5.1 Review/Committee Approval of September 30, 2023, Financial Statements

Committee reviewed this in item 5.3.

5.2 Review/Committee Approval of October 31, 2023, Financial Statements

Committee reviewed this in item 5.3.

5.3 Review/Committee Approval of November 30, 2023, Financial Statements

Kirstien showed total assets as of November 30. Noting year over year, and also the unrestricted assets, YOY. Committee asked why expenses were so much lower than last year? Kirstien explained that on the unrestricted 18.6 million was removed to see a clearer picture. Committee discussed the development team and fundraising. Catherine Abbott shared that there are 2 new, excellent development team members and it will take some time to get up to speed.

Restricted as of Nov 30. Committee asked to see a full year comparison at the next meeting. Committee discussed the unrestricted budget and the feasibility of reaching that goal. Jake expressed the importance of raising unrestricted funds to for the longevity of the Foundation. Kirstien pointed out that State of the College was on the front end of the year last year, and this year it is coming in late in the fiscal year, so the revenue from that will be recorded later. Kirstien reviewed the investment funds with the committee. The total combined endowed funds between Cerity and Merrill Lynch is a little over \$48M and First Republic Wealth is sitting just over \$7M in assets. Joan Lamb suggested a deeper discussion regarding the investment funds. An Ad Hoc committee was formed with Joan Lamb, Tom Minder and Dale Landon, to meet with the investment managers prior to the next Finance committee meeting.

Barbara Fromm made a motion to recommend approval to the Board of the financial statements for September 30, October 31, and November 30, 2023. Dale Landon seconded the motion. Motion passed.

5.4 Mid-Year Budget Revisions Kirstien reviewed the proposed budget transfer and budget increase request. The is a request for a \$108,000 increase in the entertainer budget for Stepping Out. Kirstien explained that she had already adjusted

within the current budget as much as possible to keep the expenses low, but some areas were unavoidable. Kirstien reviewed the revisions with the committee. Stepping Out is requesting \$150,000 for the entertainer for this year, to make it successful. There is a letter of intent for the artist that is \$125,000 all in, with the deadline this Friday, January 19. The committee would like a cushion on this, and to be able to offer another artist up to \$150,00 to secure them asap. Committee agreed to increase the Stepping Out entertainer budget to \$150,000.

Paul Hinkes made a motion to increase the entertainer budget for Stepping Out to \$150,000. Joan Lamb seconded. Motion passed.

5.5 Proposed Board Budget Policy

Kirstien explained that she has been developing a policy around the Foundation's budgeting process and setting some parameters for budgeting and asked for feedback. The final draft of the operating budget has to be approved no later than the May Board meeting in order to have a budget in place for the coming year. Recommended changing to "Foundation management has the authority to adjust within the overall budget, unless such an adjustment causes an increase the greater of 10% or \$20,000 on any one line item." Committee recommended eliminating "first draft to be presented at the annual meeting in MAY" since the May meeting may or may not happen due to season ending, and instead add "the first draft to be presented at a Finance and Investment Committee meeting". Kirstien will bring another draft to committee for approval, then take to the board for approval.

5.6 Discuss current Board policy for contracts that are \$25,000+

This will be a board policy change. Kirstien to draft then bring back to committee then to board for approval.

5.7 Discuss current Board policy for check signing

Current policy is 2 signatures if the check is \$1,000 or higher. Staff would like committee to consider increasing this amount to \$5,000 as there are a lot of checks needing signature at this time. Kirstien will revise policy and bring back to committee then back to board for approval.

5.8 First Republic Wealth Management – Stay with FRW/Go out for RFP or Split between current managers or otherwise??

Did not discuss.

5.9 Creating Ad Hoc committee for investment Management discussions

(see 5.10)

5.10 When the committee wants Investment Management to come and present. Suggestion: Twice annually (January and July) or (April and October)

Joan had an idea to create an ad hoc committee to truly understand the investments and dig in deeper, as she did some homework and feels we could have been in a much better position if we did some things differently. We were "underinvested in equity". Ad hoc is to review financials and meet with advisers and come back to committee with recommendations. Ad hoc will be Joan Lamb, Dale Landon and Tom Minder. Kirstien Renna will also attend these meetings. Foundation will wait to schedule the meetings with investors until after the ad hoc committee meets.

5.11 Indirect fees for grants, etc.

Catherine explained that we could ask for indirect (unrestricted) funding for grants, for the work we do behind the scenes of securing the grant. We would just be asking, but they could say no to the request. These are expendable grants. There is no policy that says this cannot be done, but the Foundation has moved away from the practice. Committee agreed that this could be done on a case-by-case basis.

5.12 Gift fees on restricted gifts.

Operational costs are increasing, college does not support the college financially and the Foundation is doing everything it can to make sure the college's needs are met. A way to make up some of this money is to charge a gift fee this is not uncommon for colleges and universities. The last time there was a gift fee it was 5%. Kirstien to do research and see what other colleges similar to COD are charging, then bring back to the committee.

6. ADJOURNMENT

Meeting adjourned at 4:39pm.

6.1 Next meeting to be held on Wednesday, March 20, 2024.