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**Community Foundation for Monterey County
Minutes of the August 25, 2009 Meeting of the Board of Directors**

Board Members Present: David Armanasco, Paul Bianchi, Jim Bogart, Thomas P. Bohnen, Richard Borda, Sarah G. Bouchier, Jeanette Cisneros, M. D., Peter Coniglio, Jeri Gattis, Kurt Gollnick, John Silva, Breck Tostevin and Mark Verbonich.

Excused Board Members: Byrl Anderson-Smith, Ann Brown, Diane Cordero de Noriega, Craig L. Johnson and Kelly McMillin.

Staff members: Julie Kenny Drezner, Amanda Holder, Deborah Logan, Tobi Marcus, Diane Nonella, Kaki Rusmore, Aurelio Salazar, Janet Shing, Judy Sulsona and Todd Lueders.

Board Chair Dick Borda called the regular meeting of the Board of Directors of the Community Foundation for Monterey County to order at 3:30 PM, on Tuesday, August 25, 2009, at the Monterey office of the Foundation.

CONSENT AGENDA (Tab 1)

The following items of the Consent Agenda were unanimously approved on a motion by Peter Coniglio/Kurt Gollnick:

- (1) Board Meeting Minutes – May 26, 2009
- (2) Executive Committee Minutes – June 23, 2009
- (3) Investment Committee Minutes – August 10, 2009
- (4) Audit Committee- Engagement Letter 2009 Audit
- (5) Financial Reports – May, June and July 2009
- (6) Donor Development Committee Minutes – June 9, 2009
- (7) Grants and Programs Committee Minutes – May 27 and July 23, 2009
- (8) Stanton/Doud Committee Minutes – May 19, 2009
- (9) Exec VP Report – June-August 2009
- (10) President/CEO Report – August 2009

SUMMARY OF FINANCIAL STATEMENTS (Tab 1)

For the Five Months Ended May 31, 2009

Assets

Total Assets through 5/31/2009 are **\$106,834,771**, a **24.33%** decrease since May 2008 and a **4.23%** increase since December 2008. **(p. 2)**

Realized and Unrealized Gains and Losses on Investments

Net year to date gains and losses on investments and stock contributions totaled \$5,051,604. **(p. 5)**

Operating Fund

Total revenue was \$25,405 less than the budget, and total expenses were \$5,252 less than the budget. **(p. 6)**

Note: The Expendable Operating Cash-on-Hand is at 5.3 months. Second quarter Admin Fees will be posted in June. (p. 7)

Special Program Funds

Special Program Funds include Poder Popular which was funded in 2007 by The California Endowment with \$850,000 for the period of January 2007 through June 2008 and \$400,000 received in September to fund August 2008 through February 2010, with an additional \$325,000 expected in 2009; Pathways to Safety which was funded in 2007 by The Action Council with \$84,500 for the period of July 2007 through June 2008, extended through June 2009; Early Learning Opportunities funded by First 5 Monterey County to cover June 2007 through June 2011, billed to First 5 tri-annually; the Women's Fund Operating Account; Communities Advancing the Arts which was funded by the James Irvine Foundation with \$400,000 for the period of March 2008 through March 2011; the Girls Health Initiative which is funded by The California Endowment for \$107,593 for the period of June 2008 through July 2009; the Leadership Development Program funded with \$40,000 by the David and Lucile Packard Foundation for the period of June 2008 through June 2009; the Social Network Program which was funded with \$150,000 by the David and Lucile Packard Foundation for the period of December 2008 through December 2010; and the Leadership Education and Development Program, which was funded with \$150,000 by the David and Lucile Packard Foundation for the period of March 2009 through February 2010.

Total Special Program revenue was \$332,975, and total expenses were \$335,169.

CRT Funds

The CRT funds reflect the activity and balances per Kaspick & Company and the third party account balances as of December 31, 2008. (p. 2)

Gifts, Pledges, Bequests, Future Funds Greater than \$25,000, and Grants

New contributions for the month totaled \$45,456. (p. 12-14)

Grants to agencies for the month totaling \$66,225 were approved and recorded. A complete list of the grants by grantee is included. (p. 15)

Interfund activity for the month totaled \$2,825. (p. 14 & 15)

For the Six Months Ended June 30, 2009

Assets

Total Assets through 6/30/2009 are **\$110,647,120**, a **17.37%** decrease since June 2008 and a **7.95%** increase since December 2008. (p. 3)

Realized and Unrealized Gains and Losses on Investments

Net year to date gains and losses on investments and stock contributions totaled \$4,711,936. (p. 6)

Operating Fund

Total revenue was \$5,386 more than the budget, and total expenses were \$15,017 less than the budget. (p. 7)

Note: The Expendable Operating Cash-on-Hand is at 6.4 months. Second quarter Admin Fees were posted in June. (p. 9)

Special Program Funds

Special Program Funds include Poder Popular which was funded in 2007 by The California Endowment with \$400,000 received in September to fund August 2008 through February 2010, with an additional \$325,000 expected in 2009; Pathways to Safety which was funded by The Action

Council with \$17,000 for the period of June 2009 through June 2010; Early Learning Opportunities funded by First 5 Monterey County to cover June 2007 through June 2011, billed to First 5 tri-annually; the Women's Fund Operating Account; Communities Advancing the Arts which was funded by the James Irvine Foundation with \$400,000 for the period of March 2008 through March 2011; the Girls Health Initiative which is funded by The California Endowment for \$107,593 for the period of June 2008 through July 2009; the Social Network Program which was funded with \$150,000 by the David and Lucile Packard Foundation for the period of December 2008 through December 2010; the Leadership Education and Development Program, which was funded with \$150,000 by the David and Lucile Packard Foundation for the period of March 2009 through February 2010; the Building Healthy Communities Project which was funded with \$125,000 by The California Endowment for the period of May 2009 through December 2009; and the Community Leadership Project which was funded with \$266,000 from the William and Flora Hewlett Foundation, \$217,000 from the James Irvine Foundation and \$217,000 from the David and Lucile Packard Foundation for the period of June 2009 through June 2012.

Total Special Program revenue was \$726,990, and total expenses were \$393,328. (p. 8)

CRT Funds

The CRT funds reflect the activity and balances per Kaspick & Company and the third party account balances as of December 31, 2008. (p. 3)

Gifts, Pledges, Bequests, Future Funds Greater than \$25,000, and Grants

New contributions for the month totaled \$4,272,385 including \$2,289,963 from the estate of Rudolph E. Futer for the Rudolph E. Futer Restricted Purpose Fund; \$125,000 from The California Endowment for the East Salinas Building Healthy Communities Project; \$120,000 from the Monterey Peninsula Foundation for the Literacy Campaign Fund; \$89,300 in cash and a \$176,700 pledge from the William and Flora Hewlett Foundation, \$72,850 in cash and a \$144,150 pledge from the James Irvine Foundation and \$72,850 in cash and a \$144,150 pledge from the David and Lucile Packard Foundation for the Community Leadership Project; \$35,000 from the David and Lucile Packard Foundation to partially fund the executive search by Morris & Berger. We also recorded receivables in the amount of \$224,000 from the Estate of Rudolph E. Futer for the Hacienda Carmel property and \$713,211 from the estate of Marcia F. DeVoe for the Watson Street house and the appraised value of cash and investments in the estate. (p. 24)

Grants to agencies for the month totaling \$230,938 were approved and recorded. A complete list of the grants by grantee is included. (p. 25-26)

Interfund activity for the month totaled \$4,000. (p. 24 & 25)

For the Seven Months Ended July 31, 2009

Assets

Total Assets through 7/31/2009 are \$116,199,427, a 12.39% decrease since July 2008 and a 13.37% increase since December 2008. (p. 3)

CRT Funds

The CRT funds reflect the activity and balances per Kaspick & Company and the third party account balances as of December 31, 2008. (p. 3)

Realized and Unrealized Gains and Losses on Investments

Net year to date gains and losses on investments and stock contributions totaled \$9,703,888. (p. 6)

Operating Fund

Total revenue was \$15,722 less than the budget, and total expenses were \$60,597 less than the budget. (p. 7)

Note: The Expendable Operating Cash-on-Hand is at 5.9 months. Second quarter Admin Fees of \$280,668 were posted in June. **(p. 8)**

Portfolio Performance

The Total Return for our Pooled Endowment Portfolio through 7/31/2009 was 6.19%, compared to the Policy Index of 9.5% and the Allocation Index of 11.24%. **(p. 10)**

Special Program Funds

Special Program Funds include Poder Popular which was funded in 2007 by The California Endowment with \$400,000 received in September to fund August 2008 through February 2010, with an additional \$325,000 expected in 2009; Pathways to Safety which was funded by The Action Council with \$17,000 for the period of June 2009 through June 2010; Early Learning Opportunities funded by First 5 Monterey County to cover June 2007 through June 2011, billed to First 5 tri-annually; the Women's Fund Operating Account; Communities Advancing the Arts which was funded by the James Irvine Foundation with \$400,000 for the period of March 2008 through March 2011; the Girls Health Initiative which is funded by The California Endowment for \$107,593 for the period of June 2008 through July 2009; the Social Network Program which was funded with \$150,000 by the David and Lucile Packard Foundation for the period of December 2008 through December 2010; the Leadership Education and Development Program, which was funded with \$150,000 by the David and Lucile Packard Foundation for the period of March 2009 through February 2010; the Building Healthy Communities Project which was funded with \$125,000 by The California Endowment for the period of May 2009 through February 2010; and the Community Leadership Project which was funded with \$266,000 from the William and Flora Hewlett Foundation, \$217,000 from the James Irvine Foundation and \$217,000 from the David and Lucile Packard Foundation for the period of June 2009 through June 2012.

Total Special Program revenue was \$734,880, and total expenses were \$618,001.

Gifts, Pledges, Bequests, Future Funds Greater than \$25,000, and Grants

New contributions for the month totaled \$517,483 including stock valued at \$45,308 from Mr. & Mrs. Sydney and Jay Harrison for the Harrison Temporary Fund and stock valued at \$456,036 from Mrs. Frances Elgan and Mr. Werner Kunkel for the Frances Elgan and Werner Kunkel Fund. **(p. 14)**

Grants to agencies for the month totaling \$927,303 were approved and recorded. A complete list of the grants by grantee is included. **(p. 25-26)**

Interfund activity for the month totaled \$51,000. **(p. 14 & 16)**

Accounts Receivable

We recorded receivables in the amount of \$483,750 for the Los Betos Mexican restaurant in Tucson, Arizona and \$675,000 for the Church's Fried Chicken restaurant in Douglas, Arizona, from the estate of Rudolph E. Futer.

EXECUTIVE VP REPORT (Tab 1)

ATTACHMENTS:

A.) List of grants from June to August 2009.

INFORMATION ITEMS:

1. **Donor advised and other grants:** We awarded **191 grants for a total of \$1,603,115.16** from June to August 2009. *Please see the list attached.*

- 1.) **Building Healthy Communities (BHC):** The structure for the planning process is now in place with the formation of the Steering Committee and four work groups focusing on policy, data and evaluation, community engagement and communications. The Steering Committee has 40 members, with the youngest being 15 years old and the most senior 90. Close to 60% are residents of East Salinas, while the rest are people who work in or for that community. Ten of the members are teens or in their early twenties. We have representation of most of the key sectors in our County. We are pleased about the response from the community and the enthusiasm and commitment that all participants are demonstrating for the opportunity that this process represents.

On July 15 and 16, we attended the BHC kick-off in Los Angeles and met representatives of the other 13 regions, as well as staff and consultants of The California Endowment. We have had several other meetings with TCE staff and consultants locally and in Oakland. The initiative is ambitious, comprehensive and complex, so there is much coordination required at all levels.

- 5.) **Community Leadership Partnership** (Hewlett, Irvine, Packard Initiative) – We attended the first cohort convening on July 24, when we had the opportunity to meet other participating grantees, as well as the Presidents of the three foundations.
- 6.) **Neighborhood Grants Program:** The 2009 Awards Ceremony will be held on Saturday, August 29, 2009 9:00 am to 11:30 am, at the Monterey County Office of Education (Rooms A & B), 901 Blanco Circle Road, Salinas.

\$112,000 to be awarded to a total of 32 groups including:

- 18 groups from the Community Foundation's NGP fund.
- 11 groups from the First 5 Monterey County grant.
- 3 groups from Poder Popular funds.

- 7.) **Poder Popular:**

- Completed Health Action Plans in each of the three communities.
- Approved and began awarding grants to support the implementation of the Health Action Plans.
- Continued working with the Agricultural Commissioner to investigate possible improvements to field warning after pesticide application and working on developing an educational forum with the Commissioner's office for October during Binational Health Week.
- Developed a sustainability plan for the Poder Popular partner organizations in a series of retreats.

- 8.) **Women's Fund:**

- Based on the contributions from donors at the annual Breakfast, the Women's Fund was able to award two grants of \$8,500 each – to Girls Inc. and to the Women Alive! Program of Dorothy's Place. The Breakfast attendees determined the two priority funding areas and a group of volunteers and donors selected the grant recipients.
- El Pajaro Community Development Corporation has worked in partnership with the Women's Fund since the inception of the Women's Business Education and Loan Program (WBELP). This year, the Women's Fund awarded a \$20,000 grant to El Pajaro for the WBELP classes – shifting the relationship to a grant from a contract. This is the next stage in the evolution of the WBELP.
- The Women's Fund will be hosting a reception for donors and our two aforementioned grantee partners on August 20. This will give the donors an opportunity to hear directly from the grantees and will provide support to the grantees in widening their network of support.

REPORT OF THE CHAIR – DICK BORDA

1. The Nominating Committee, Chaired by David Armanasco, will be convening in a week or so to prepare a list of proposed Board candidates for 2010. The list will be recommended and approved at the October Board meeting.
2. Julie Packard has been selected to be the recipient of the Distinguished Trustee Award at the October 8 Annual Donor Recognition Event. Julie is a former Community Foundation Board member and Secretary of the Board.

DRAFT BUDGET FOR 2010-BRECK TOSTEVIN (Tab 2)

Breck Tostevin presented a draft of the 2010 budget for Board review. The budget is zero based projecting to break even for 2010. A revised budget will be presented at the November Board meeting. The final budget will be approved by the Board in January 2010.

LITERACY CAMPAIGN REPORT (Tab 3)

Janet Shing, on behalf of Steering Committee Chair Diane Cordero de Noriega, reported on recent Literacy Campaign activities. The Literacy Campaign is now mid-way through its third year of operation. The focus for the remaining 17 months of the Campaign is on the successful transition of the Campaign's efforts to another organization.

A 2009 mid-year evaluation was handed out. More than 677 learners had participated in literacy instruction and/or tutoring through Literacy Campaign efforts through June 2009.

PRESIDENT/CEO REPORT – (Tab 4)

ACTION ITEM:

1. Additional grant in the amount of \$25,000 from the California Endowment

On a motion made by Peter Coniglio/Breck Tostevin, the Board unanimously approved accepting staff's recommendation to contract with Judy Sulsona as an independent contractor for two days per week for the remaining six months of the Building Healthy Communities planning grant. The fee is estimated to be \$18,000 and is part of the consulting budget line of the grant.

2. In late March this year, Children's Services International (CSI), a major childcare provider in Salinas, closed its doors and went out of business due to the combined effects of the recession and cutbacks in contracts and state budget sources. The agency established an endowment fund of \$10,000 with the CFMC a few years ago. Staff recommends the Board exercise its variance power to redirect the use of the payout from that fund to the closest related possible use. The Mexican American Opportunity Foundation (MAOF) is a statewide childcare provider based in Los Angeles is now managing the contracts that CSI had before they closed.

On a motion by Peter Coniglio/Breck Tostevin, the Board authorized the payout from the CSI Fund to the Mexican American Opportunity Foundation (without changing the name of the fund).

PROGRAM REPORTS

Staff presented general overview reports of the Foundation's core programs.

Management Assistance Program- Kaki Rusmore presented an overview of the Management Assistance Program. Key services include professional development, a resource library, consulting services and technical assistance grants.

Leadership Education and Development (LEAD)-Is a new nonprofit management and leadership development institute designed to develop effective new nonprofit leaders in Monterey, Santa Cruz, and San Benito counties.

Women's Fund-Tobi Marcus presented the 2009-2011 Women's Fund Strategic Plan. The 2011 goals include grantmaking, increased collaboration and a strong network for advocacy.

Neighborhood Grants Program- Aurelio Salazar presented an overview of the funding and technical assistance program cycle of the Neighborhood Grants Program.

OTHER BUSINESS

1. Executive Search Committee Chair David Armanasco reported that Morris & Berger, the executive search firm hired to assist with recruitment for the new CEO, have researched more than 1,000 resumes to date. 147 resumes were provided to the Executive Search Committee who categorized and narrowed them down to 18 candidates. Morris & Berger will personally interview and evaluate each of the 18 candidates. The interview results will be evaluated at their next meeting on September 28 at which point the Executive Search Committee hopes to narrow down the pool to three candidates. The information will be reported at the October Board meeting.
2. Dick Borda announced that this will be Judy Sulsona's last Board Meeting as she is retiring effective September 1, 2009. Mr. Borda presented Judy with a proclamation signed by all of the Board Chairs that served during Judy's tenure at the Foundation. Future farewell events for Judy include a tropical themed farewell lunch on Wednesday, August 26 at Kula Ranch Island Steak House, a gathering for colleagues and grantees on Wednesday, September 2 at the Harden Foundation, and finally a gathering for Board members and Donor Advisors on Thursday, September 10 at the Monterey office conference room.

There being no further business, the meeting adjourned at 5:05 PM.

The Board reconvened in Executive Session.

The next meeting is scheduled for October 27, at 3:30 PM, at the Monterey office of the Community Foundation.

Prepared by: _____
Deborah Logan, Vice President of Operations

Approved by: _____
Diane Cordero de Noriega, Secretary of the Board of Directors