

**Executive Committee Meeting
March 22, 2016 ~ 3:30 PM
945 S. Main Street #207 Salinas, CA 93901**

AGENDA

1. Call to Order – Greg Chilton 3:30
2. Approval of Minutes (attached 1- 4) 3:35
 - November 17, 2015
3. Chair Report – Greg Chilton 3:40
 - Dan and Lillian King Foundation
 - Legacy Luncheon
 - Women’s Fund Luncheon - May 5
4. Investment Committee – Ken Petersen 4:05
 - Investment Committee update
 - 2016 Goals
5. Resource Development Committee –Steve McGowan 4:15
 - Development Summary February – (attached 5-6)
 - Resource Development Committee meeting - March 9
 - 2016 Goals
6. Treasurer’s Report – Gail Delorey 4:25
 - February Financials Summary (attached 7-14)
 - 2016 Goals
7. Grants and Programs Committee – Patti Hiramoto 4:35
 - Grant Approvals
 - 2016 Goals
8. Governance Committee – Rick Kennifer 4:40
 - Nominating Committee meeting - March 7
9. New Funds 4:45
 - CHISPA Scholarship Fund- An endowed scholarship fund
10. President/CEO Report – Dan Baldwin 4:50
 - Chinatown meeting - March 17
 - LCCF CEO / Chair retreat
11. Executive Session

Adjourn

Next Executive Committee Meeting: May 24, 2016 - Monterey Office



**Executive Committee Meeting
945 S. Main Street #207, Salinas CA**

MINUTES

Committee Members Present: Rick Kennifer, Gail Delorey, Tina Starkey Lopez, Greg Chilton, Alfred Diaz-Infante, Ken Petersen, Steve McGowan

CFMC Staff Present: Dan Baldwin, Christine Dawson, Diane Nonella, Julie Conrad

Absent: Laurel Lee-Alexander

CALL TO ORDER – Rick Kennifer

Rick Kennifer called the regular meeting of the Executive Committee of the Community Foundation for Monterey County to order at 3:40 PM, Tuesday, November 17, 2015 at the Foundation's Salinas office.

APPROVAL OF MINUTES

Motion: to approve the September 22, 2015 minutes:

Greg Chilton/Alfred Diaz-Infante second. Motion carried unanimously.

REPORT OF THE CHAIR – Rick Kennifer

Rick Kennifer reported the annual CFMC Celebration of Philanthropy was a successful event and asked for comments about the program, logistics, venue, food, etc. There were positive comments about keeping the focus on "a celebration and philanthropy." An alternative venue to Corral de Tierra was discussed for 2016, as well as reduced attention on the retiring board members in the program.

Rick reminded the committee about the board and spouse Holiday Social, December 15, at 5:30, after the board meeting.

The preferred date for the 2016 Board Retreat is Saturday, January 23, 9:00AM to 1:30PM. The alternative dates are Saturday, January 16 or Saturday, January 30. The board will choose a date at the December meeting and discuss agenda items. The only suggestion to date is to review the new strategic plan.

Rick sought a motion to approve a corporate resolution to open a new bank account with Rabobank.

Motion: to approve the corporate resolution to open a new bank account at Rabobank:

Greg Chilton/Tina Starkey-Lopez second. Motion carried unanimously.

Assets

Total Assets through 10/31/2015 are **\$181,389,828** a **1.42%** increase since October 2014, and a **1.16%** increase since December 2014.

Operating Fund

Total revenue was \$51,955 more than the budget, and total expenses were \$166,462 less than the budget. The actual net operating surplus is \$32,431 compared to a budgeted deficit of \$185,986.

Note: The Expendable Operating Cash-on-Hand is at 6.5 months, excluding the operating reserve of \$250,000 and the building reserve of \$125,000.

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

Total new contributions for the month were \$429,630, including stock valued at \$225,720 from Mr. & Mrs. William and Nancy Doolittle for the Doolittle CRT; stock valued at \$31,554 from Mr. Robert Hartmann for the MC Gives Campaign; \$50,000 from Mr. & Mrs. Joel and Dena Gambord for The Joel and Dena Gambord Charitable Foundation.

Grants to agencies for the month totaling \$327,111 were approved and recorded.

Interfund activity for the month totaled \$88,000.

Motion: to approve the October 31, 2015 financials. Tina Starkey Lopez / Alfred Diaz-Infante second. Motion carried unanimously.

The Finance Committee met on November 17 to finalize the 2016 budget and worked to present a balanced budget. Tina summarized the budget notes and assumptions and asked for questions and comments. The 2016 budget will be presented for approval at the December 15 board meeting.

Motion: to recommend the 2016 budget as presented by the Finance Committee at the December 15 board meeting. Greg Chilton / Gail Delorey second. Motion carried unanimously.

GRANTS AND PROGRAMS COMMITTEE - Alfred Diaz-Infante

Alfred Diaz-Infante reported the fall Community Impact Grant cycle is in the decision making process and the committees will have recommendations for approval at the December board meeting. There were no grants to approve.

INVESTMENT COMMITTEE - Ken Petersen

Ken Petersen reported the Investment Committee reviewed the requirements of Verus, and discussed Verus' performance based on what our contract with them outlines. At the end of the discussion the committee approved maintaining the relationship with Verus for another year.

The committee discussed the 2016 spending rate for endowed funds, and the current and future effects of raising the payout rate for funds below their historic balance. The committee agreed to keep the discipline of a specific date to calculate the annual fund balances. Subject to obtaining further input from committee members, the Investment Committee recommends a spending policy for 2016 of 4.5% of the principal balance for funds at or above their historic balance, and a spend rate of 3% of the principal balance for funds below their historical balance.

There was further discussion regarding the possibility of allowing funds with balances equal to 97% or more of their historic fund balance to spend at the 4.5%, rather than at the 3%, rate.

Steve McGowan and Ken Petersen will communicate with the Investment Committee members, soliciting comments and approval of this proposed 3% “collar” proposal.

**Motion: Subject to receiving further comments and approval from the Investment Committee, to recommend for approval to the board the 4.5% spend rate for funds with balances equal to or above 97% of their historic fund balance, and the 3% spend rate for funds with fund balances at less than 97% of their historic fund balance.
Greg Chilton/Gail Delorey second. Motion carried unanimously.**

GOVERNANCE COMMITTEE – Gail Delorey

Gail Delorey reported the Governance Committee contacted the four candidates nominated to the 2016 board. One accepted, two are positive, but checking their schedules, and one declined. The new board members will be presented for approval at the December 15 board meeting.

Anna Marie Ponce, Ken Wright, and Ken Petersen accepted their renewal for a second term.

Board Officers 2016:

Chair-Greg Chilton, Vice Chair-Steve McGowan, Secretary-Ken Wright, Treasurer-Gail Delorey.

**Motion: to recommend to the full board for approval the following slate of officers to the 2016 board of directors as presented by the Governance Committee:
Accepted second terms: Anna Marie Ponce, Ken Wright, and Ken Petersen.
2016 Officers: Chair: Greg Chilton, Vice Chair: Steve McGowan, Secretary: Ken Wright, Treasurer: Gail Delorey
Gail Delorey / Ken Petersen second. Motion carried unanimously.**

NEW FUNDS APPROVED SINCE LAST MEETING - Dan Baldwin

No funds approved.

NEW FUND APPROVALS - Dan Baldwin

Dan described the Salinas Valley Memorial Foundation Stewardship Fund.

**Motion: to approve the Salinas Valley Memorial Foundation Stewardship Fund.
Alfred Diaz-Infante /Tina Starkey Lopez second. Motion carried unanimously.**

RESOURCE DEVELOPMENT COMMITTEE - Greg Chilton

Greg Chilton highlighted the October Development Summary.

Christine Dawson reported on the Professional Advisors Council meeting held October 29. She asked for comments from the board members that attended. CFMC will send out a survey to the professionals that attended to learn more about how to utilize the council and what CFMC can give them in return.

The Bubbles and Bags event purchases resulted in over \$50,000 in donations to date. All the proceeds go to the GHGH program of the Women’s Fund.

PRESIDENTS/CEO REPORT - Dan Baldwin

Dan reported on the League of California Community Foundations CEO retreat held at CFMC, November 6. Twenty-four out of twenty-nine California CF CEO’s attended then all-day meeting.

The Whistleblower Policy has been updated at the recommendation of the CFMC attorney, Sara Boyns. She wrote and updated the document from 2011.

**Motion: to approve the Whistleblower Policy as presented.
Greg Chilton /Ken Petersen second. Motion carried unanimously.**

**Motion: to approve the Whistleblower Policy as presented.
Greg Chilton /Ken Petersen second. Motion carried unanimously.**

Dan reported on the start of MC Gives!

CFMC is working to bring together the necessary community leaders and coalitions around the issues of Chinatown. There has been progress made in developing a positive, shared community approach.

Executive Session

Rick Kennifer asked for a short Executive Session.

Meeting adjourned at 5:45

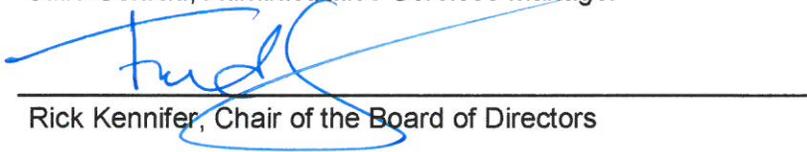
Next Executive Committee Meeting is:

- **Tuesday, March 22, 2016 in the Salinas office**

Minutes prepared by: _____

Julie Conrad, Administrative Services Manager

Approved by: _____


Rick Kennifer, Chair of the Board of Directors



**Resource Development Summary
February 2016**

Current Activity Report Number of Meetings/Contacts February 2016								
Month	Professional Advisor	Prospects	Current Fund Holders	Presentations		Events		Newsletters Crescendo eBlasts
January	4	11	6	1	*See below	11	*See below	4
February	7	20	11	3	*See below	5	*See below	6
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								
Total Activity	11	31	17	4		16		10
January Events: Rotary Reception, Staff Retreat, Arts Council: Champion of the Arts, NCPG San Francisco, Monterey Bay Business Hall of Fame, Roe V Wade, IMPOWER Luncheon, Noteware, Bright Futures Core Conveners, SMFC meeting-King City, CHISPA Annual Celebration, AFP Board Meeting, Palma High School February Events: Carmel Realty/ AT&T Pro Am event, Successful Thinkers, Chinatown Strategies Convening, VNA Investment Committee, Cal GRIP, CHOMP Luncheon, McGives Check Ceremony, Salinas Valley Chamber Awards *On-going: Salinas & Monterey Rotary Clubs								

Planned Gifts	
New Legacy Society Members	0
Expectancy Additions Year to Date	\$0
Legacy Society Members to Date:	199
Total Expectancies to Date:	\$145,006,003

New Funds Created 2016		
Type of Fund	Number of Funds	Establishing Gift
Donor Advised		
Barbara Paul and Tom Lafaille Fund	1	\$ 100,000.00
Affiliate Funds		
Agency/Stewardship		
Salinas Valley memorial Hospital Foundation Stewardship Fund	1	\$ 1,000,000.00
Private Foundations		
Corporate Funds		
Scholarship		
Bonnie Hutcheon Scholarship Fund	1	\$ 5,789.52
Field of Interest		
Designated Fund		
New Funds Created Total:	3	\$ 1,105,789.52

Total Contributions		
Year 2016 - YTD	\$	1,277,092
Year 2015 - YTD	\$	1,185,085



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Community Foundation

for Monterey County

FINANCIAL STATEMENT

For the Two Months Ended February 29, 2016

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
FINANCIAL REPORTS
For the Two Months Ended February 29, 2016**

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**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Two Months Ended February 29, 2016**

Assets

Total Assets through 2/29/2016 are **\$171,845,999** a **5.17%** decrease since February 2015, and a **5.42%** decrease since December 2015.

Operating Fund

Total revenue was \$24,387 more than the budget, and total expenses were \$10,186 less than the budget. The actual net operating deficit is \$429,807 compared to a budgeted deficit of \$464,381.

Note: The Expendable Operating Cash-on-Hand is at 5.9 months, excluding the operating reserve of \$250,000 and the building reserve of \$150,000.

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

Total new contributions for the month were \$112,290, including \$50,000 from Mr. Derwin Gilbreath to establish a CGA.

Grants to agencies for the month totaling \$3,466,454 were approved and recorded. A complete list of the grants by grantee is included.

Interfund activity for the month totaled \$191,830.

Contribution/Bequest Receivables

We received payment on a bequest receivable in the amount of \$406,995 from the termination of the Paul Edward Rochester CRT, to establish the Paul Edward and Gay Delores Rochester Fund.

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 29, 2016 and February 28, 2015

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 29, 2016</u>	<u>TOTAL February 28, 2015</u>
ASSETS							
Cash:							
Cash & Cash Equivalents	1,849,200	949,948	200,039	4,298,455	0	7,297,642	6,988,981
Investments at Market-Pool	0	0	114,845,571	25,897,268	0	140,742,839	148,062,111
Separately Invested Funds	0	0	0	23,724	0	23,724	79,320
Total Cash & Investments	1,849,200	949,948	115,045,610	30,219,446	0	148,064,205	155,130,413
Accounts Receivable:							
Admin Fees & Misc Receivables	0	0	0	0	0	0	0
Pledges & Contributions Receivable	0	0	4,000	12,750	225,000	241,750	116,750
Note Receivable	0	0	181,413	0	0	181,413	188,640
Bequests & Remainder Interest	0	0	0	0	800,418	800,418	1,039,615
Due from OPER	0	0	1,398,206	0	0	1,398,206	1,440,199
Investment in an LLC	0	0	23,903	0	0	23,903	38,781
Charitable Remainder Trusts	0	0	0	0	19,057,317	19,057,317	21,280,525
Charitable Gift Annuities	0	0	0	0	305,003	305,003	208,373
Total Accounts Receivable	0	0	1,607,522	12,750	20,387,738	22,008,010	24,312,882
Other Assets:							
Prepaid Expenses	11,819	0	0	0	0	11,819	3,445
Property-Net of Depreciation	1,761,965	0	0	0	0	1,761,965	1,766,050
Total Other Assets	1,773,784	0	0	0	0	1,773,784	1,769,495
TOTAL ASSETS	3,622,984	949,948	116,653,133	30,232,196	20,387,738	171,845,999	181,212,789

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 29, 2016 and February 28, 2015

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 29, 2016</u>	<u>TOTAL February 28, 2015</u>
LIABILITIES & NET ASSETS							
Liabilities:							
Grants Payable	0	25,525	288,600	23,600	0	337,725	890,411
Administrative Fees Payable	0	0	0	0	0	0	0
Contingent Liabilities	0	0	0	0	11,634,216	11,634,216	13,180,126
Funds held as Agency Endowments	0	0	3,892,099	0	0	3,892,099	4,141,296
Funds held as Stewardship Funds	0	0	0	12,277,600	0	12,277,600	9,680,534
Payroll, Misc. and Accts Payable	1,492,218	1,862	0	0	0	1,494,080	1,576,757
Total Liabilities	1,492,218	27,387	4,180,699	12,301,200	11,634,216	29,635,720	29,469,123
Net Assets:							
Net Assets-Beginning Balance	2,560,574	966,173	117,179,184	20,791,536	9,083,321	150,580,788	149,710,128
Change in Net Assets - Current Year	(429,807)	(43,612)	(4,706,751)	(2,860,540)	(329,799)	(8,370,509)	2,033,539
Total Net Assets	2,130,766	922,562	112,472,434	17,930,996	8,753,522	142,210,279	151,743,667
TOTAL LIABILITIES & NET ASSETS	3,622,984	949,948	116,653,133	30,232,196	20,387,738	171,845,999	181,212,789

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 29, 2016 and February 28, 2015

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 29, 2016</u>	<u>TOTAL February 28, 2015</u>
SUPPORT AND REVENUE:							
Contributions	850	0	20,176	1,153,870	0	1,174,896	1,185,085
Interfund Gifts	0	0	28,672	193,830	0	222,502	22,500
Pledge Payments Received	0	0	25,000	0	0	25,000	459,332
Future Contributions-A/R-Pledge-Bequests-CRT	0	0	0	0	19,133	19,133	0
Contributions Received via Bequest	8,140	0	398,856	0	0	406,995	0
In Kind Contributions	0	0	0	0	0	0	0
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	83,063	83,063	0
Gain/Loss on Sale of Property	0	0	0	0	0	0	0
Oil, Gas & Land Royalties	0	0	0	0	0	0	0
Interest & Dividend Income	2,131	73	101,997	23,454	0	127,656	89,437
Administrative Fees	0	0	0	0	0	0	1,108
Fees from Special Projects	26,286	0	0	0	0	26,286	9,217
Workshop and Contract Service Income	6,592	0	0	0	0	6,592	19,019
Misc Income/Returned Grants	10,090	0	0	0	0	10,090	1,683
Total Support and Revenue	54,089	73	574,701	1,371,154	102,196	2,102,214	1,787,380
EXPENSES:							
Operating Expenses and Distributions:	213,000						
Salaries & Benefits	355,423	9,943	0	0	0	365,366	343,222
Administrative Costs	73,200	30,927	0	15,585	0	119,712	103,486
Occupancy Costs	32,859	0	0	0	0	32,859	35,602
Development Expenses	20,589	2,814	0	0	0	23,404	17,694
Board & Committee Expenses	1,826	0	0	0	0	1,826	1,147
In Kind Expenses	0	0	0	0	0	0	0
Total Operating Expenses	483,897	43,685	0	15,585	0	543,166	501,151

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 29, 2016 and February 28, 2015

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 29, 2016</u>	<u>TOTAL February 28, 2015</u>
Grants and Grant Related Expenses:							
Grants	0	0	378,485	3,160,692	0	3,539,177	1,648,920
Interfund Grants	0	0	161,340	61,162	0	222,502	22,500
Pledge Payments Paid	0	0	0	0	25,000	25,000	459,332
Bequests Payments/Transfers	0	0	0	0	406,995	406,995	0
Other Expenses	0	0	0	18,638	0	18,638	325
Other Payments/Transfers	0	0	46,018	(46,018)	0	0	0
Grant Related Expenses	0	0	0	0	0	0	0
Administrative Fees	0	0	0	0	0	0	1,108
Fees to Managers	0	0	19,079	4211.15	0	23,290	24,154
Total Grants and Grant Related Expenses	0	0	604,921	3,198,685	431,995	4,235,602	2,156,339
Total Expenses and Grants	483,897	43,685	604,921	3,214,270	431,995	4,778,768	2,657,490
Excess of Revenues (Expenses)							
Before Gains on Investments & Transfers	(429,807)	(43,612)	(30,220)	(1,843,116)	(329,799)	(2,676,555)	(870,109)
GAINS(LOSS) ON INVESTMENTS:							
Realized-Gain (Loss)	0	0	(1,701,085)	(382,558)	0	(2,083,643)	110
Unrealized-Gain(Loss)	0	0	(2,975,445)	(634,866)	0	(3,610,312)	2,903,538
Total Gain/(Loss) on Investments	0	0	(4,676,530)	(1,017,424)	0	(5,693,954)	2,903,648
Change in Net Assets	(429,807)	(43,612)	(4,706,751)	(2,860,540)	(329,799)	(8,370,509)	2,033,539
Net Assets Beginning of Year	2,560,574	966,173	117,179,184	20,791,536	9,083,321	150,580,788	149,710,128
Net Assets, End of Period	2,130,766	922,562	112,472,434	17,930,996	8,753,522	142,210,279	151,743,667

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
Combined Operating Fund Budget vs. Actual**

For the One Month Ended February 29, 2016 and February 28, 2015

	Year-To-Date			YTD Actual 2/28/2015
	Actual	Budget	Variance	
REVENUE				
Contributions - Foundations	0	6,250	(6,250)	0
Contributions - Indiv/Corp	850	9,000	(8,150)	1,375
Contributions - Interfund	0	0	0	3,500
Contributions - New Pledges	0	0	0	0
Pledge Payments Received	0	0	0	0
Bequests Received	8,140	0	8,140	0
In Kind Contributions	0	0	0	0
Admin & Special Project Fees	26,286	4,902	21,384	10,325
Workshops/Contracts	6,592	7,550	(958)	19,019
Miscellaneous Income	10,090	0	10,090	89
Interest and Dividends	2,131	2,000	131	1,832
Realized Gains/(Losses)	0	0	0	0
Total Revenue	54,089	29,702	24,387	36,140
EXPENSE				
Personnel				
Salaries and Wages	275,675	281,882	(6,207)	258,891
Payroll Taxes	28,198	20,445	7,753	27,213
Insurance and Other Benefits	51,549	52,101	(552)	44,463
Sub-total	355,423	354,428	995	330,568
Administrative				
Supplies	6,044	6,525	(481)	2,602
Equip / Computer Maintenance	11,217	10,962	255	9,134
Bank Charges	802	900	(98)	727
Printing	0	4,050	(4,050)	7,183
Postage / Freight	4,302	3,269	1,033	3,540
Dues/Subscriptions	11,217	11,953	(736)	21,064
Services (legal, acct, consult)	13,850	11,925	1,925	14,928
D&O Insurance	4,358	4,500	(142)	4,010
Telecommunications	2,830	2,841	(11)	2,423
Conferences & Training	3,752	1,384	2,368	605
Miscellaneous	(1)	0	(1)	224
Depreciation	14,830	14,830	0	15,330
Sub-total	73,200	73,139	61	81,769
Facilities				
Property / Liability Insurance	8,380	8,500	(120)	8,302
Maintenance / Repairs	2,275	3,122	(847)	2,515
Janitorial	2,840	3,250	(410)	3,386
Rent	3,856	4,101	(245)	7,371
Mortgage, Interest & Property Taxes	9,359	9,359	0	9,635
Utilities	6,149	5,580	569	4,393
Moving Expense	0	0	0	0
Sub-total	32,859	33,912	(1,053)	35,602
Development, Program & Staff				
Donor Development	9,243	10,000	(757)	7,590
In Kind Expenses	0	0	0	0
Advertising & Promotion	3,731	8,748	(5,017)	42
Mileage, Meals & Meetings	1,493	1,504	(11)	736
Workshops	3,447	8,166	(4,719)	3,399
Annual Meetings	0	0	0	0
Annual Report	0	0	0	0
Staff Recognition Expenses	2,675	2,820	(145)	3,519
Board & Committee Expenses	1,826	1,366	460	1,147
Sub-total	22,416	32,604	(10,188)	16,432
Total Expenses	483,897	494,083	(10,186)	464,370
Net Income / (Loss)	(429,807)	(464,381)	34,574	(428,231)