

COLLEGE OF THE CANYONS FOUNDATION
26455 Rockwell Canyon Road, Canyons Hall 160, Santa Clarita CA 91455

Finance Committee
Meeting - Minutes

Friday February 24, 2023 8:00 am
Canyons Hall 211

Members Present: Lisa Burke (Committee Chair)
Sharlene Coleal (remote), Steve Corn, Tamara Gurney (remote), Brian Koegle (remote)

Members Absent: Randy Moberg

Foundation Staff

Present: Kari Dahlquist, Desiree Dodd, Shawna Lubs

District Staff Present: Jason Hinkle, Rosie Kochendorfer (Business Services)

Affiliated Guests

Present: James Schramm (Raymond James)

Guests: None

1. PRELIMINARY FUNCTIONS

1.1 Call to Order/Establishment of a Quorum LISA BURKE

Noting that a quorum had been established, Lisa Burke called the meeting to order at 8:06am

1.2 Comments by Members of the Audience NOT on the Agenda LISA BURKE

Lisa Burke asked for comments not on the agenda. There were none.

1.3 Approval of Meeting Agenda LISA BURKE

Lisa Burke requested a motion to approve the agenda for the meeting on February 24, 2023 with amendment to include Tamara Gurney as a remote participant due to illness and correction to date of the December meeting minutes.

Motion to Approve:	Second:	Voting Yes: Lisa Burke, Sharlene Coleal, Steve Corn, Tamara Gurney, Brian Koegle
Steve Corn	Sharlene Coleal	(1 member absent)

1.4 Approval of Meeting Minutes: December 17, 2022 LISA BURKE

Lisa Burke requested a motion to approve the minutes from December meeting with correction of the December meeting date from December 8 to December 16, 2022.

Motion to Approve:	Second:	Voting Yes: Lisa Burke, Sharlene Coleal, Tamara Gurney, Brian Koegle
Tamara Gurney	Brian Koegle	(1 member abstaining)
		(1 member absent)

2. REVIEW

2.1 **Foundation Investment Update by Financial Advisor**

JAMES SCHRAMM

James Schramm pointed out that investment reporting documents are split between original Foundation investment accounts and the Manvi account. He reported a great start to the year, beating benchmark, and up 7.29% overall. International and small cap companies are bouncing back. Investment allocation remains true. Not as many capital gains, but overall income will be up nominally. The good news is the bond funds are producing in line with the higher interest rates. Regarding the Manvi endowment, he is slowly moving the funds into stock investments. Still about 20% of the portfolio to be invested.

Personal Consumption Expenditures Price Index (PCE) came out higher than expected today, affecting the stock market. Inflation is proving to be stickier than expected, driven by housing (which includes energy costs). He expects that to trail off, as natural gas prices have gone back down. Starting to see consumer goods trending downward. In the next 3-4 months, we'll see inflation start to come down. Foresee a minor recession coming. Per the jobs report, there are still 10 million jobs open and 6 million people looking for jobs. While tech layoffs are hitting the news cycle, mid-size companies are holding onto employees because the applicant pool is not there to replace them. Don't expect market returns to produce for the next 4-5 months. The bond investments are producing enough income to fund the scholarships in this account.

2.2 **Scholarship Policy – Updated to include Board Designated Endowments**

SHARLENE COLEAL

The Raising the Bar Student Achievement Fund was not promoted as an endowment, so Sharlene and Shawna reviewed with the Foundation attorney who drafted a Resolution. Sharlene Coleal reported that the Resolution to establish the Raising the Bar Fund as an endowment is being reviewed by the Chancellor before the Foundation board approves. The Scholarship policy was also revised and changes proposed to better reflect Emergency Grant allocations so that the fund can be fluid and emergent to address immediate student needs. There needs to be a desk policy established to clearly delineate the process to accommodate student needs through the BANC (Food Pantry) to facilitate awarding of monies from this fund. There is a Foundation emergency check book that can also be used for emergency allocations from that fund. Per the updated policy:

Board-Designated Endowments are funds established or designated by the Foundation Board for investment and spending in accordance with Board-assigned restrictions. Unlike an Endowed Scholarship, in which a donor establishes scholarship and endowment criteria, the Board may, from time-to-time, amend restrictions it places on Board-Designated Endowments.

James Schramm expressed that nothing is jumping out as red flag in the language.

2.3 **Resolution to Establish Board Designated Endowment – Roger Van Hook Raising the Bar Student Achievement Fund**

SHARLENE COLEAL

Sharlene Coleal explained that establishing a Board Designated Endowment for the Roger Van Hook Raising the Bar Student Achievement Fund gives the Foundation Board of Directors the proper authority to facilitate and manage the fund. The committee discussed the criteria for students to request these funds. Sharlene explained that the criteria will need to be established to determine how the funds can be allocated and to whom, i.e. full-time vs. part-time student, how much, how often, etc. This resolution is necessary as money is coming in, the Foundation needs to be able to align.

- 2.4 **Transfer Roger Van Hook Raising the BAR Student Achievement Fund from Fund 82 to Fund 86** SHARLENE COLEAL

Sharlene explained that in order to invest, the funds need to be moved from Fund 82 to Fund 86.

- 2.5 **Transfer of Funds from Student Resource and Success Fund (\$98,857.64) into the Roger Van Hook Raising the BAR Student Achievement Fund** SHARLENE COLEAL

Sharlene proposed rolling the fund together with the Roger Van Hook Raising the Bar Student Achievement Fund since both share the same objectives.

- 2.6 **Board Re-designation of AT&T Funds (\$23,649) to Roger Van Hook Raising the BAR Endowment and Transfer to Fund 86** SHARLENE COLEAL

The AT&T "Dare to Dream" fund was originally established by the Chancellor. With her approval, Sharlene proposed rolling the monies in the AT&T Board Designated Fund into the Roger Van Hook Raising the Bar Student Achievement Fund.

3. APPROVAL

- 3.1 **Approval of Financial Statements as of January 31, 2023** SHARLENE COLEAL

- Fund 81 Revenue & Expenses
- Operating Fund Cash Flow Projections
- Fund 82-89 Revenue & Expenses Summary
- Cash Balance Summary
- Fund 81-88 Disbursement Detail

Sharlene reported that revenues are below budget and expenses are above budget. Revenues are pending from Silver Spur and Chancellor's Circle events. Software subscriptions and Silver Spur venue costs are pre-paid and causing a timing difference in expenses. Contract services are running high with legal costs as issues regarding endowments and the related agreements and policies are being resolved.

Chancellor's Circle Dinner expenses were over budget due to many last minute invites that required an increase in catering and rentals. Silver Spur is also trending over budget with revenues under budget, which is a timing issue. Sharlene foresees the probability that the Foundation will have to take money out of the reserve again this year as expenses trend over and revenues trend under. She suggests we need one more year to see if we can net positive before designating monies from reserves. The committee asked questions about the overall economy's impact on these trends, noting that in the business community members are seeing a tightening of spending correlating to Chancellor's Circle memberships and Silver Spur sponsorships. Specifically, regarding the Chancellor's Circle event, Sharlene shared that the dinner does not generate revenue because it is designed to be a member appreciation dinner. However, two-thirds of the guests were staff and spouses who do not generate prospects for revenue. Tamara Gurney expressed the opinion that the strategy for the Chancellor's Circle dinner ought to be reviewed going forward. She included that overall costs for gas, food, and venues is up year over year and will not come down to traditional levels in the near future. The committee agreed that it is getting harder to balance this budget and we will need to look at how we budget for next year. Tamara Gurney also expressed the need to look at how we fundraise in this climate. Sharlene agreed and suggested reviewing donor lists to proactively cultivate relationships. She suggested a separate targeted meeting when Jerry De Felice starts as the new CDO to move more strategically for the future. Tamara will address with the full board at the next meeting, which will be timely as Jerry begins in his position with the Foundation.

Motion to Approve:
Steve Corn

Second:
Tamara Gurney

Record of Votes: Voting Yes: Lisa
Burke, Sharlene Coleal, Steve Corn,
Tamara Gurney, Brian Koegle
(1 member absent)

3.2 Transfer of \$60,000 from Fund 86 Endowed Scholarship Account to Raymond James Investment Account Per Policy SHAWNA LUBS

Shawna Lubs sought approval to transfer monies from Fund 86 Endowed Scholarship Account to Raymond James Investment Account. She explained that when Fund 86 has a large amount in it, we ask to move monies to Raymond James for investment per policy. Lisa Burke requested a motion to approve moving \$60,000 from LACOE to Raymond James Investment Account per policy.

Motion to Approve:
Brian Koegle

Second:
Steve Corn

Record of Votes: Voting Yes: Lisa
Burke, Sharlene Coleal, Steve Corn,
Tamara Gurney, Brian Koegle
(1 member absent)

3.3 Transfer from Accumulated Interest/Dividends from Fund 84 to Raymond James Investment Account Per Policy DESIREE DODD

Regarding Endowments under \$10,000, Desiree Dodd sought approval to transfer accumulated interest and dividends from Fund 84 to Raymond James Investment Account. She shared that one donor does not want scholarships distributed yet. The Joe Gerda Fund will be transferred into the Roger Van Hook Raising the Bar Student Achievement Fund per the request of the donor. All funds that are under the threshold will be awarded as per the donor's original wishes before they are closed. Lisa Burke asked for a motion to approve moving monies from Fund 84 to Fund 86 to Raymond James Investment Account per policy.

Motion to Approve:
Steve Corn

Second:
Shawna Lubs

Record of Votes: Voting Yes: Lisa
Burke, Sharlene Coleal, Steve Corn,
Tamara Gurney, Brian Koegle
(1 member absent)

4. PUBLIC COMMENT

- 4.1 Comments by Members of the Audience NOT on the Agenda LISA BURKE
Lisa Burke asked for comments not on the agenda. There were none.

5. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

- 5.1 Adjournment LISA BURKE
Lisa Burke adjourned the meeting at 9:02am
The next meeting is scheduled on **Friday, April 28, 2023 at 8:00am**