

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

Finance Committee
Meeting - Minutes
December 15, 2023 8:30am
Canyons Hall 211

Members Present: George Reyes (Finance Committee Co-Chair) Fred Arnold (Foundation Chair), Steve Corn, Brian Koegle (remote), Sharlene Coleal (Vice-President, Business Services and Foundation Treasurer), Shawna Lubs (Chief Operating Officer)

Members

Absent: Lisa Burke (Finance Committee Chair) Randy Moberg

Foundation Staff Present: Jerry De Felice (Chief Development Officer), Desiree Dodd (Director of Development and Engagement), Cassidy Butow (Events Coordinator), Melayn Poladian (Foundation Relations Coordinator III)

District Staff Present: Eric Harnish (PIO), Jason Hinkle (Associate Vice-President, Business Services), Rosie Kochendorfer (Senior Accountant, Business Services)

Affiliated Guests

Present: James Schramm (Investment Advisor, Raymond James – remote)

Other

Attendees: Steve Petzold

1. PRELIMINARY FUNCTIONS

1.1 Call to Order/Establishment of a Quorum GEORGE REYES

Noting that a quorum was present, George Reyes called the meeting to order at 8:33 AM.

1.2 Approval of Meeting Agenda GEORGE REYES

George Reyes requested a motion to approve the meeting agenda.

Motion to Approve: Sharlene Coleal Second: Fred Arnold Voting Yes: Fred Arnold, Sharlene Coleal, Steve Corn, Brian Koegle, Shawna Lubs, George Reyes

1.3 Approval of Meeting Minutes: October 27, 2023 LISA BURKE

George Reyes requested a motion to approve the meeting minutes from October 27, 2023

Motion to Approve: Fred Arnold Second: Brian Koegle Voting Yes: Fred Arnold, Sharlene Coleal, Steve Corn, Brian Koegle, Shawna Lubs, George Reyes

2. REVIEW

2.1 Foundation Investment Update by Financial Advisor

JAMES SCHRAMM

James Schramm explained that November 2023 was a good month for the Foundation's investments. In November, the S&P 500 was up 9%, and Foundation was up 7.6%. Our benchmark comparison was up 6.8%, so we beat our benchmark by almost 1%. In the fiscal year of 2023-2024, the Foundation Investment is up 1.48%, and since inception, the investment is up 5.93%. The investment includes 60% stocks and 40% bonds and cash, which is within the overall allocation guidelines. As previously discussed, James Schramm is slowly moving the bonds from index mutual funds into owning individual bonds to control the income better.

Market Recap: Expect a Santa Clause Rally to continue in the last couple of weeks of the year. The Fed announced last week that it will not raise interest rates and expects to lower them in 2024. We can expect the Fed to lower interest rates before inflation reaches 2%, probably at the beginning of the second quarter. The market has continued to rise since the latest report. At the end of the year, it would be expected that profits would be taken and the stock market will pull back. The last inflation report was in line with expectations, and as long as inflation continues to trend downward, we will see the market go up. We have been seeing layoffs in the last couple of weeks, which means the job market is finding more equilibrium and bringing down wage increases, benefitting prices and inflation.

Manvi Trust: This portfolio is up 7%; the investments are slightly more conservative, with 50% stocks and 50% bonds. The Manvi Trust is set on a fixed income goal. Overall, we are happy with 7%; the portfolio is beating the benchmark and meeting the income goals to provide the set scholarship disbursements from the portfolio.

2.2 Fund 87 Endowment Reinvestment of Dividends/Interest

DESIREE DODD

The Foundation met with the college Deans and Dr. Torres (Vice President of Instruction) about the program endowments. The Foundation advised the programs or departments that they have endowments and that interest and dividends are available to spend or be reinvested. The Foundation will be reinvesting any cash the programs will not use back into the endowment, a total of \$87,000. The Performing Arts Center (PAC) will be using its funds to upgrade its equipment, the library is reinvesting \$75,000, and all other programs will reinvest the total amount of their interest and dividends available.

3. APPROVAL

3.1 Approval of Financial Statements as of November 30, 2023

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

SHARLENE COLEAL

As of November 30, 2023, we are 42% through the fiscal year. The Foundation has budgeted revenues of \$264,200 and expenses of \$263,400, with a net revenue of \$800. The year-to-date net revenue is \$10,000 but will shift as we progress through the fiscal year. LACOE interest is at 3.8%, an increase from prior years. The Interfund Transfer amount of \$20,000 is held in Fund 82 and is only utilized if needed to balance the Foundation budget. The Annual Fund Appeal is doing well, and we hope to continue to see that with the Spring 2024 appeal letter. General Fundraising is behind. The Alumni Development revenues will be seen in the spring, the Golf Tournament did exceptionally well, Chancellor's Circle is doing well and is close to the 42% target goal, and Silver Spur revenues will be seen in the spring.

For expenses, payroll and benefits are on track with the budget. The subscriptions and memberships have been pre-paid and are tracking in line with the budget. Office supplies are tracking above, due to a one-time purchase of a desk for staff. There are no current contract services expenses but we will see expenses for Raymond James and legal fees later in the fiscal year. All other expenses are on target with the budget.

For Special Events and Fundraising, the 2023 Golf Tournament achieved a net income of \$28,238 against a budget of \$16,000. The Chancellor's Circle is doing better than in previous years; it is currently \$29,500 below budget, but we anticipate that to change through the fiscal year. The Silver Spur revenues and expenses will be available later in the fiscal year as the event takes place on April 13, 2024.

As of November 30, 2023, the Foundation Fund Balance is \$301,000 after the \$100,000 transfer to the COC Foundation Endowment. The Foundation Discretionary Cash Balance as of November 30, 2023, is \$169,000 (64%).

Motion to Approve: Fred Arnold Second: Steve Corn Voting Yes: Fred Arnold, Sharlene Coleal, Steve Corn, Brian Koegle, Shawna Lubs, George Reyes

3.2 Board Designated Funds - \$2,000 to Golf Program DESIREE DODD

The Foundation Annual Golf Tournament was very successful this year and the Foundation would like to distribute \$2,000 in Board Designated Funds to the College of the Canyons Golf Team. Last year, the Board Designated Funds were distributed to the EMT program to support their 50th Anniversary Celebration. Before that, the Board Designated Funds have historically been distributed to the golf team.

Motion to Approve: Steve Second: Brian Voting Yes: Fred Arnold, Sharlene Coleal, Steve Corn, Brian Koegle, Shawna Lubs, George Reyes

4. PUBLIC COMMENT

4.1 Comments by Members of the Audience NOT on the Agenda GEORGE REYES
George Reyes asked for comments from the members not on the agenda.

Desiree thanked Business Services for providing mentorship over the last two years.

5. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

5.1 Adjournment GEORGE REYES
George Reyes adjourned the meeting at 9:15 AM