

LOCATION: ZOOM VIDEO CONFERENCE CALL

TIME: 12:00 P.M.

MINUTES

Attendance:

Members Present: Marvin Hoffman (Chair); Edward Dilkes (Vice Chair); Julie Stromberg (Secretary); Bob Winters (Treasurer); Charlotte Bland; Danny Chan; Selina Chi; Joan Dangerfield; Alan Daniels; David Ford; Dr. Mary Gallagher (LACC President); Nick Halaris; Joanne Hoffman; Mike Kalustian (President Academic Senate); Rick Landis; Margaret Martin Ph.D.; Jerrod; DJ Moore; Robert Reeves; Robert Schwartz (Executive Director); Alex Swart; Gerard Tamparong and Jeff Zarrinam

Members Absent: Mike Harriel; Dean Hansell; Harvey Englander; Sandra Cuneo; Theo Kingma; James Reeves (VP, LACC Admin Services); James Lancaster (VP, LACC Academic Affairs); Michael Morgan; Sunny Youngsun Park; Maria Reisch (Emeriti Association) and Lara Yeretsian

Guests: Daren Lynne

I. CALL TO ORDER

M. HOFFMAN

- a) The meeting was called to order at 12:00 PM
 - i) APPROVAL OF THE CONSENT AGENDA ITEMS
 - (1) Minutes of July 28, 2020
 - (2) Alumni/Individual Outreach and Corporate/Foundation Outreach
 - (3) Financials and Credit Card statements through September 2020 and Grant Activity Report
 - (4) Bob Winters made a motion to approve the items on the consent agenda as submitted.
 - (a) Robert Reeves seconded
 - (b) **Motion passed MSP**

II. FOUNDATION REPORT

R. SCHWARTZ

- a) Robert briefly reported on the alumni even though that was part of the Consent Agenda. He just wanted to let everybody know that we have got a \$250,000 over a four-year term gift that has been offered from Steve Markoff and they are just working out the details of it. He also got notification that Marlen Louchheim will be donating another sculpture. This is a \$75,000 wall sculpture that will go in the new music building. The Foundation received a \$100,000 bequest from the Carmichael trust which is to be used for scholarships in the Music Department and last, Fran Rosman who is a donor to the school through the Ella Fitzgerald Foundation is setting up six \$10,000.00 endowments.
- b) SWAP MEET
 - i) The swap meet is still not open yet. Robert and Martha Pelayo had a conversation yesterday with Fernando Morales, who is the District Director for Sheila Kuehl office. They did not really get very far as a very cordial call yesterday with Sheila Kuehl office. In other words we're still based in a stalemate where the District is now saying that they would allow it to open if the District County Health people were allowed to open and the County Health people are not ready to do that yet, although we were just told couple of days ago that the swap meet is now open at Fairfax high school so apparently they're allowing it in high school, but not at a college, even though our college swap meet is a 200 yards away from the actual college so we're still working on it.
 - (1) Robert said that they will keep pushing them. Mitch O'Ferrall sent a letter from him to Sheila Kuehl and Dr. Barbara Ferrer Los Angeles County Department of Public Health Director urging them to reopen the swap meet. Jeff Zarrinam had the East Hollywood Neighborhood Council take this up and they passed a resolution that they wanted to reopen, and they also sent a letter to Sheila Kuehl's office and the County of Public Health.
 - (2) Robert brought out the 1% endowment fee that it is initiated on the first of the year for the past two years and he proposed to be on the agenda for the December 18th meeting, so it'd be a place for January 1. He asked the Board to consider at least for the next year to increase it to a 1.5% endowment fee. That aligns with what most of the Community Colleges in the state are charging and that would bring in based on the Foundation endowment about another \$180,000. So, that would be close to what the swap meet was regenerating up until about four years ago. We hope that the swap meet is going to open by that time.
 - (3) He also mentioned that the gala will be on April 22 and it will be a virtual gala. They already started on the planning of this event.
- c) FOUNDATION MASTER AGREEMENTS – AMENDMENT

- i) Robert reported that the Foundations signed five-year agreements with the District every five years. The LACCF agreement expired on July 1st of 2020. the District recently sent out a new proposed agreement. There's a new language and for the new agreement that actually don't impact us because we're the only Foundation in the District that doesn't utilize District employees at the Foundation. Robert asked the District to get him a red line copy with the changes for the new agreement.
 - (1) In the meantime, Robert signed an extension of the 2015 agreement that will carry through to the end of the calendar year 2020.
 - (2) From now on the District Board has decided that they only want to give one-year terms to all of the foundations in the District.

d) COMMITTEE & WORKING GROUPS REPORTS

i) GOVERNANCE & NOMINATIONS

E. DILKES

- (1) Ed Dilkes introduced Jessica Shaham. She briefly spoke about herself and mentioned that she was at the LACCF Holiday Luncheon last year and had already met some of the Board members. Jessica's resume was sent to the Board for their review before the meeting.
 - (a) Ed Dilkes moved to appoint Jessica Shaham to the LACC Foundation Board of Directors
 - (i) Bob Winters seconded
 - (ii) **Motion passed MSP**
 - (2) Victor Chen sent his resignation notice to Robert Schwartz and as per Ed Dilkes his resignation doesn't have to be approved by the LACC Foundation Board.
 - (3) Jerrod McClung has been on the Advisory Group and in the Finance and Investment Committee for the last, few years. He was a former member of the Board but now lives in Hawaii. Jerrod has requested to be back on the LACC Foundation Board
 - (a) Alex Swart moved to reinstate Jerrod McClung as a voting member of the LACC Foundation Board
 - (i) Margaret Martin seconded
 - (ii) **Motion passed MSP**

ii) FINANCE AND INVESTMENT COMMITTEE

E. DILKES

(1) NEW PROPOSED INVESTMENT POLICY

- (a) Ed Dilkes went over the updates on the new proposed investment policy. The first priority is to generate income and cash sufficient to fund the Foundation operations and then to maintain the purchasing power of our assets. Then to grow the principal and to preserve capital. Those priorities are different than the ones we used to have because we perceive the operating environment in which we find ourselves to be quite different.
 - (i) Robert Schwartz mentioned that the change in the investment policy is really more about how the Foundation can be in a better position to pay out money to the school and to the students not to cover the Foundation's operating costs.
 - (ii) Bob Winters said that there is more involved here than simply getting additional income to help us in a tight time. The conversation yesterday with the Finance and Investment Committee was also a question of investment security and safety. The point is the before the Foundation operated with the use of three investment companies. At the time, the LACC Foundation total investment was not very great. We got by with 100% securities. No one worried about the investment policy, which was composed by Mr. Winters and it was simply taken from the investment policies of other foundations. However, the LACC Foundation has about \$35 million and that changes things. We have to be concerned with how secure everything is and as per Jerrod McClung and Danny Chan we got to have a margin of safety in the investments we have and that was a consideration as well as the idea of additional income.
 - 1. Ed Dilkes mentioned that there were three issues that were discussed that drove to the redistribution to the strategic allocation. The first was a concern for safety in a very volatile market. The second one was a concern for operating income and the third one was actually a concern for our fiduciary obligations as managers of a nonprofit having such an enormously high allocation entirely to typical equity stocks looked riskier than a nonprofit ought to be engaged in.
 - (iii) After further reviewed and discussion of the proposed changes to the Investment Policy the Board congratulated the members of the Finance and Investment Committee who worked in putting together this document
 - 1. Julie Stromberg moved to approve the Investment Policy statement that was circulated today

11:52am

a. Bob Winters seconded

b. **Motion passed MSP**

iii) EQUITY WORKING GROUP

D. FORD

(1) David Ford acknowledged the committee members that are part of this team: Selena Chi, Margaret Martin, Char Bland, Andree Miller, and Kevin Brown. He mentioned that they met about three weeks ago to start the discussion committee strategy, as well as engagement. At that meeting, they thought that their initial engagement would be to have a discussion with the equity team that is led by Dr. Gallagher, Dr. Day and Dr. Barry. Right after George Floyd's death, the school started having these Town Hall meetings and they were able to gather a lot of intelligence and data about the pulse of the faculty as well as the students. In order to move forward on this Committee, they decided to pull that group together to have a joint discussion on what are some of the Initiatives out of those discussions that would give this working group some insight on how they could partner or even join those initiatives that were set forth out of those meetings. David Ford spoke more about the plans for this working group and will report more at the next Board meeting in January. Dr. Gallagher thanked David for reaching out to her about this whole concept of race equity and social justice.

III. **TREASURER'S REPORT**

R. WINTERS

- a) FINANCIALS THROUGH September 2020 were approved by the Board members in the Consent Agenda.
- i) Bob Winters reported that as of yesterday the total investment with Windward in cash and securities was \$35,415,591.00
 - i) Danny Chan briefly mentioned that as our Foundation in terms of managing our money, we're doing a really good job. We've been able to weather the storm and most importantly is not to overreact when the securities were down that would have resulted in taking some hefty losses. But he thinks the direction that we are going is the correct direction.

b)

IV. **COLLEGE PRESIDENT'S REPORT**

M. GALLAGHER

- a) President Gallagher reported on a couple of things that are happening in their Bond program. She also reported on the enrollment which is 99% of the headcount and on the initiatives and major initiatives.
- i) Dr. Gallagher show a power point presentation of a few renderings of the current campus construction.
 - ii) EON Reality, they have a contract for the augmented virtual reality. The faculty are working on it right now. She hopes to bring the Center to campus early next year. She will bring the contract to the Board of Trustees for approval either January or February of 2021.
- b) She also informed the Board members that LACC is a polling as well as all the other Campuses within the District.
- c) Mike Kalustian briefly reported on the faculty and the possibility to update the college hiring policies.

V. **FOUNDATION CHAIR'S REPORT**

M. HOFFMAN

- a) 2020 BOARD DUES
- i) Marv reminded those Board members who still have not paid their \$1,500 Board dues for 2020 to contact the Helen Khachatryan

VI. **PUBLIC COMMENTS**

- a) No comments

VII. **ADJOURNMENT AND NEXT MEETING**

- a) The next meeting of the Board will take place on December 18, 2020 at 12PM. (Annual Board Meeting)
- b) Meeting adjourned at 1:00 P.M.
- c) 2020 meeting calendars and the Board roster were included in the email distribution

NOTE: MSP=Moved Second Passed

Approved and signed by: Julie Stromberg, Secretary
