

Avila Beach Community Foundation
Board Meeting - January 27, 2014
5:00 p.m. in the Avila Beach Community Center
MEETING MINUTES

Committee Members Present:

President: Julian Varela
Vice President: Mike Ginn
Michael Faber
Stephen Johnson
Carolyn Morton
Chris DeWeese
Stephen May
Rick Rowe
Lucinda Borchard

Staff

Executive Director: Rick Cohen
Project Specialist: Penny Burciaga

Guests:

Richard Zacky
Boyd Horne, Retiring Board Member
Kevin Sanchez, UBS

Absent:

Maridel Salisbury
Percy Jones
Mike Ritter

1. Meeting was called to order at 3:30p.m. by President Julian Varela.
2. Roll Call by Penny Burciaga.
3. Introduce guests: Richard Zacky
4. **Boyd Horne Presentation:**
Boyd gave a history of the Foundation from the Unocal incident to the establishment of the Foundation, the building of the Community Center, and details of his role as founding Executive Director. Boyd gave a total of 14 years of service to the Foundation.

Boyd suggested a funding project to involve ex-board members and suggested that we conduct more outreach with these members. Boyd would like to continue to be a donor to the Board's Trustee Fund.

Boyd also presented to the Foundation a piece of artwork detailing the foundations work to the community. Rick gave Boyd a glass plaque.

5. **UBS/Kevin Sanchez:**
 - As of 1/24/14 the current value of our portfolio is \$2,013,700. We have 30% allocation to Fixed Income, 16% in International Equities, and 54% in Large Cap.
 - Don't expect the same outcomes as last year, we might only get about 3% in returns out of the bond market.

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- If our portfolio is unbalanced, Kevin will reach out to have us take a look at reallocation.
- Bond changes to do not happen quickly, but we are anticipating a slow down the later part of this year and first part of next year.
- Our portfolio is relatively conservative. If interest rates change drastically then we would want to shift our monies out of bonds to equities. Right now, the Govt. has too much debt to raise interest rates too fast.
- If interest rates rise we should shift more to equities.
- Mike asked if we are risk adverse, and if there are taxes or penalties for withdrawing money every year. Kevin said that we are not taxed on penalties for withdrawal. UBS is paid by the managers. We pay 1% of our portfolio to UBS as a fee.
- We own the benchmark - S&P500. This is a passive manager; they make up 70% of the overall market. Kevin does not think that we have too many eggs in one basket and that we have a stable investment. There is more risk in the international markets/emerging markets.
- Since perpetuity is our goal, keeping a stable portfolio is what we are aiming for. We are always going to own domestic and international, bonds, stock, and equities and reduce risk.
- PIMPCO, the second biggest manager in our portfolio had a change of staff, but Kevin does not think this will impact the management.

6. Consent Items:

- Steve J. made a motion to approve the following consent items, Chris D. seconded. All approved.
 - Minutes of November, 2013 Board Meeting
 - November, 2013 financial report
 - Deferred Expenses Ledger
 - UBS Portfolio Summary
 - Steve J. requested that a comparison of last year to the balance sheet. Rick will ask accountant to add to the report.

7. Activities and Project Updates:

Avila Trolley Ridership Summary for 2013 (SEE REPORT). The trend is good. There is some changes coming down the pike with RTA, but even if reimbursement doubles, we are still under the \$5,000 grant allocation.

Avila Beach Town Hall Forum - We are sold out. We will have about 20 people on the waiting list. The goal of the event is to give the community an update of what is

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going on in the community. Penny passed around a sign-up list for various volunteer positions that are needed that night. Penny will send an email to confirm these assignments and reporting times.

AB Public Artworks Project Committee : Part of our Strategic Planning is to establish the Artwork committee. Chris DeWeese, Carolyn Morton, and Lucinda is interested in serving on this committee.

Avila Apples Festival Planning: Penny reported on the first Brainstorming meeting held in January with various growers and community members. There is a multitude of conflicts in the community, but the team will be working to find common ground on issues and join forces to expand the capacity of the events. A small working group will be meeting every two weeks on event planning.

ABCF Social Marketing Report: Penny reported on the growth of our E-News and Facebook. Rick's articles continue to be a hit and the community is getting more engaged with us as a result. Penny also expanded our E-News to feature a Trustee and Grantee every month. Penny also encouraged everyone to share the E-News or posts on Facebook so we can continue to get the word out. Penny reported on NextDoor.com as a mobile app/ website that we should consider in the future to create conversations around projects and get the word out about things going on in Avila.

6. Foundation Reporting, Planning & Action Items:

Confirm Trustees and Officers for 2014: Stephen J. made a motion to appoint Richard Zacky to the Board, accept the resignation of Maridel Salisbury, appoint Rick Rowe as Treasurer and Carolyn Morton to Secretary; Chris DeWeese seconded. All approved.

Approve 2014 Budget:

Rick discussed the unclaimed grantee monies report for prior years. Currently there are \$10-15K in unclaimed funds. Discussed options for grant monies. Julian suggested that we incorporate a statement in our application that indicates that award monies are for the current year only and grantees can't come back for it later.

Strategic Action Plan Follow-Up items:

Discussed and approved moving unclaimed grants into restricted account to be used for special grants throughout the year.

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Approved the new donor advised fund, "Bellevue School". 80% of students live in Avila Beach now so the demographics have changed.

Rick Rowe made a motion to approve the creation of a restricted account for unclaimed funds and establish the account for Bellevue School, Chris seconded, all approved.

Lachen Tara Playground Equipment Update because of the zoning requirements, they are required to have commercial grade equipment that costs roughly \$12K. Rick is working with PSHH to put together a matching/community fund initiative. It was suggested that the residents help out with labor.

Community Center Capital Reserve - ABCA does want to participate. Rick will work with Mary on the campaign.

Trustee Contacts - every trustee to provide at least two names to Rick. We are here to tell our story and highlight our projects to explore the interests of those in our community and expand our friend base.

Meeting adjourned 6:42.

Next Board Meeting scheduled for April 28, 2014
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