

Avila Beach Community Foundation
Board Meeting – January 23, 2020 - 4:30 pm
Avila Beach Community Center
MEETING MINUTES

Board Members Present:

President: Mike Ginn
Vice President: Cyndy Lakowske
Secretary: Ellen Pitrowski
Treasurer: Richard Zacky
Bev Aho
Lucinda Borchard
Joe Caradonna
Saul Goldberg
Barbara Nicholson

Staff:

Executive Director: Rick Cohen
Project Specialist: Stephanie Rowe

Other:

Kevin Sanchez - UBS

Trustee Members Absent:

Patrick Corrigan
Percy Jones
Paul Prather
Brooke Salvini

- 1. Meeting was called to order at 4:30 pm by Mike Ginn**
- 2. Roll Call by Stephanie Rowe**
- 3. Introductions:**
 - a. Mike G. announced officers and trustees for 2020
 - b. Rick C. circulated the UBS updated signature form for all trustees who were present to sign.
- 4. UBS Year-End Portfolio Investments Report by Kevin Sanchez:**
 - Year-end portfolio value is \$2,309,571. Up 20% for the year.
 - U.S. Stock market coming up on 11-year anniversary of a bull market, with last year being the best year ever in all areas, up 31%. International stock markets up 15-20%. Bond market up 8.5%.
 - The valuation of the market is 7-10% over-valued. Kevin is not expecting the market to match last year because it would be even more over-valued.
 - Current portfolio allocation is approximately:
 - 4.5% cash
 - 33.3% fixed income
 - 62.2% equity
 - 50% of investments in US stocks and 12% international

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- Portfolio up 21.78% year-to-date; 3 years up 11.15%; up 7.61% inception-to-date annualized
- Last year at this time, there was talk of a recession but that didn't happen. This year, no one is expecting a recession. Fed is not expected to make any rate changes.
- Kevin is not recommending any changes for this quarter, except to focus on minimizing risk.
- Our repositioned ETF portfolio is more protective against risk, but he will be monitoring it. If there is a crisis in the world that will affect the market or if the market drops, he will come back with a recommended adjustment.

General Trends/Outlook:

- The biggest risk right now is who will win the election in November. If the administration stays the same, then the uncertainty will be lifted. If the administration changes, the market may respond negatively and drop due to uncertainty, but probably for only one to three quarters until it figures out the expectations for money, taxes, spending rates, the economy, etc.
- Projecting U.S. stock market to have 5-7% return in the next decade; International to have 8-9% and Emerging Markets to have 10% return in the next decade
- Projecting bond market to have 3-5% return in next decade

5. Consent Items:

Richard Zacky made a motion to accept the following consent items, Bev Aho seconded, and all approved.

- a. Minutes from November 2019 Board Meeting
- b. November and December 2019 Financial Reports
- c. UBS Year-End Portfolio Investment Report for 2019 – value \$2,345,659 as of 12/31/19
- d. Record prior email vote to expend \$6,400 from Community Center capital reserve account

6. Activities and Projects Updates:

- a. **PathPoint Proposal** – Rick C. asked the board to determine which cleanup schedule option to fund based on the proposal. The board agreed to keep the schedule the same as last year, which would be 2 hours per day, 3 days per week. Services would run from mid-May through early October.
 - **Lucinda Borchard made a motion to contract with PathPoint for Option 3 cleanup services during the summer season, Barbara Nicholson seconded, and all approved.**
- b. **Stolen Mural Panel Update** – Rick C. reported that Colleen Gnos noticed that an upper art panel from the lifeguard tower was stolen. The Harbor District and Arts Obispo have been contacted. An article was in the Tribune on January 22, KSBY reported on it, and Colleen's Facebook posts have garnered much attention. The board discussed whether a reward should be offered but decided to hold until more information is obtained.

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7. Foundation Reporting, Planning and Action Items:

- a. **Year-end Summary of Deferred Expenses** – Rick C. reviewed the year-end summary.
- b. **Approve 2020 Operating & Grant Expenses Budget** - Richard Zacky presented the proposed budget. Overall minimal changes from 2019.
 - **Lucinda Borchard made a motion to approve the 2020 Operating & Grant Expenses Budget, Barbara Nicholson seconded, and all approved.**
- c. **2020 Plan to Produce Operational/Systems Manuals** – Rick C. noted that he has a lot of details in his head about the processes he completes for his job. Instead of planning an event for 2020, following an active 2019, he would like to focus on documenting processes related to his job, and Stephanie will likewise do the same for her job.
- d. **April and July Board Meetings** – Rick C. would like to focus the next couple of meetings on discussing different aspects of the organization, such as meetings and the grant making process. This will go hand-in-hand with documenting processes. For the April meeting, he would like to focus specifically on the grant making process. Bring your thoughts for a brainstorm session about what’s working, what’s not, what could be better, etc.

8. Other Business:

- a. **Distribute 2020 Meeting Schedule** – Rick C. distributed the meeting schedule and asked everyone to review for any changes.
- b. **Distribute Updated Board Roster** - Rick C. distributed the updated board roster and asked to let him know if any changes.
- c. **“Thinking Outside the Box” session** - This item was not discussed.

9. Adjourn Meeting – Meeting adjourned by Mike Ginn at 5:50 pm.

<i>Next Meeting - Thursday, April 30, 2020 at 4:30 pm</i>
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