

**Avila Beach Community Foundation  
Board Meeting – July 25, 2019 - 5:00 pm  
Avila Beach Community Center  
MEETING MINUTES**

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**Board Members Present:**

President: Mike Ginn  
Treasurer: Richard Zacky  
Secretary: Gary Maier  
Bev Aho  
Saul Goldberg  
Barbara Nicholson  
Lucinda Borchard  
Ellen Pitrowski

**Staff:**

Executive Director: Rick Cohen  
Project Specialist: Stephanie Rowe

**Trustee Members Absent:**

Percy Jones  
Brooke Salvini  
Paul Prather  
Cyndy Lakowske

**Other:**

Kevin Sanchez – UBS  
Joe Caradonna – Trustee Candidate  
Patrick Corrigan – Trustee Candidate

**1. Meeting was called to order at 5:02 pm by Mike Ginn**

**2. Introductions:**

- a. Lucinda Borchard introduced Trustee Candidate Patrick Corrigan
- b. Gary Maier introduced Trustee Candidate Joe Caradonna
- c. Mike Ginn introduced Kevin Sanchez from UBS

**3. Roll Call by Gary Maier**

**4. UBS Mid-Year Portfolio Investments Report by Kevin Sanchez:**

**a. Mid-Year Review**

- We have come off of the worst December in market history with the worst one-day point drop ever in the stock market. Since then, the market has rebounded and has erased everything bad in the 4th quarter. We are currently in the longest bull market of 10+ years since World War I.
- In the first six months of the year, our portfolio was up about 15% and the composite portfolio benchmark was up slightly less than that.
- Portfolio value as of 6/30/19 - \$2,282,501
- Kevin not concerned about the market going down, but is more concerned about risk.

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- The Foundation made a big change in August 2017 replacing “active management” funds with ETF funds (lower costs) - ETF funds currently represent 54% of the portfolio. So when the market fell 10+%, our portfolio fell less.
- Portfolio is meeting the target allocations stated in the Foundations Investment Policy Statement (IPS).
- Current portfolio allocation is approximately 65% equities & 35% fixed income.
- For the quarter, our ETF portfolio was up 4.56% and the Russell 3000 benchmark was up 4.1%.
- In the last 12 months, our ETF portfolio was up 12.8% vs the benchmark which was up 9%, almost 20% better than the market due to the protective way the portfolio was structured.
- Kevin predicts more volatility, but still sees the economy growing.

**b. Proposal for New Investment Strategy**

- Kevin is proposing to move to an all ETF (exchange-traded fund) portfolio that would:
  - Allow for more flexibility to make adjustments for the level of risk
  - Lower the cost structure of management fees
  - Lower the complexity after moving from multiple accounts to one
- The dividends with an all ETF portfolio would be roughly the same.
- Many large institutions are moving from mutual funds to all ETF portfolios.
- Gary Maier made a motion to approve the proposal to liquidate both the international managers and bond manager and move proceeds into the ETF account and manage as recommended in one ETF portfolio, Richard Zacky seconded and all approved.

**5. Consent Items:**

**Lucinda Borchard made a motion to accept the following consent items, Richard Zacky seconded, and all approved.**

- a. Minutes from April 2019 Board Meeting
- b. March/April/May 2019 Financial Reports
- c. June 2019 UBS Summary Report – value \$2,183,777 as of 5/31/19
- d. For the record – Board voted via email to sponsor the 2019 Avila Apple Festival for \$1,000  
For = 7     Against = 5

**6. Activities and Projects Updates:**

**a. Avila Beach Public Art Phase II Update**

- Gary Maier reported that the project is moving along. He will be meeting with Colleen Gnos in the next week. She is working on the final layers of the artwork and is expected to be completed by the end of September.

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- There will be an unveiling ceremony at the Central Coast Aquarium on Saturday, October 5, 2019.
  - Two commemorative plaques are being ordered to be installed at the art installation.
- b. Avila Beach Life Monthly Newspaper Update** – Rick Cohen reported that there have been two “Avila Beach Life” newspapers published by the Paso Robles Press for June and July. He is very satisfied with its overall appearance. It is more Avila-centric than the previous publications and he is hoping all continues to go well.
- c. PathPoint Summer Beach Cleanup Project Update** – Rick Cohen reported that the project is going well. Bev Aho reported that the PathPoint leaders are doing a fantastic job managing the workers.
- d. 2019 Community Survey Plans** – Rick Cohen provided a summary of the survey data.
- There were 82 respondents
  - Answers related to Foundation-related questions will be used to help Trustees evaluate grant requests and to help our Event Committee decide on future events.
  - Data related to demographics and all answers related to community interests are for use by all non-profit and public agencies in Avila. Data will be posted on our website and key agencies and those on grantee list will be notified of survey posting.
  - 78% of respondents have lived in Avila for more than 6 years.
  - 42.8% of respondents have been e-news subscribers for more than 5 years and 94% find it helpful and informative.
  - 87.8% of respondents understand the role of the Foundation in Avila.
  - Community enrichment events that are informational or educational are the most popular.
  - Avila’s history and heritage is by far the most popular topic.
  - Community Enrichment Events are the preferred focus of future efforts by the Foundation, ahead of grant making and public art installations.
  - Top responses to how they would spend \$10,000 of Foundation money were evenly divided between: Fixing the pier, improving parking and traffic flow, beach/town beautification and improvements, and trails and public access areas.

**7. Foundation Reporting, Planning and Action Items:**

- a. New Computer System** – Rick Cohen reported that the new computer system will be installed in the next week.

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- b. Central Coast Aquarium Letter** – Rick Cohen noted that the Central Coast Aquarium had sent a letter of appreciation (included in the board packet) for the \$5,000 grant for the enhancements for the Giant Pacific Octopus exhibit.
- c. 2020 Grant Application Period** – Rick Cohen reported that he sent out RFPs to all previous applicants and recipients on July 8th. The deadline to apply is Monday, September 16, 2019.
- d. Backburner Project** – Rick Cohen researched the process for changing the Foundation’s name so that it wasn’t confused with the Avila Beach Civic Association.
- It would take extensive work to change the name or to change to a DBA for little benefit.
  - Would need to change everything from the website, logo, letterhead, etc.
  - Based on the recent survey, 87% of respondents understand the role of the Foundation so it seems unwarranted to make any change.
- e. Election of Trustee Candidates Joe Caradonna and Patrick Corrigan** - Rick Cohen confirmed that per the by-laws, the Foundation can add up to three more members to the Board of Trustees for a total of 15.
- Saul Goldberg made a motion to elect Joe Caradonna to the Board of Trustees, Gary Maier seconded, and all approved.
  - Lucinda Borchard made a motion to elect Patrick Corrigan to the Board of Trustees, Gary Maier seconded, and all approved.
- f. Thinking Outside the Box Session** – Due to time constraints, this item was not discussed: If given the opportunity, how would you spend up to \$10,000 of ABCF funds?
- 8. Other Business**
- a. Distributed 2019 Trustee Contribution Request** - Mike Ginn presented the contribution request and reminded the board that there is no minimum requirement and board members are encouraged to contribute an amount within their means.
- b. Project Funding Proposal:** Gary Maier presented potential beautification and infrastructure projects that the Foundation . The board agreed to discuss a funding proposal at the next meeting.
- 9. Adjourn Meeting** – Meeting adjourned by Mike Ginn at 7:00 pm.

<p><b><i>Next Meeting - Thursday, October 24, 2019 at 3:30 pm (Earlier time to accommodate grant applicant interviews)</i></b></p>
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