

**Avila Beach Community Foundation**  
**Board Meeting - January 16, 2012**  
**3:30 p.m. in the Avila Beach Community Center**  
**MEETING MINUTES**

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Trustees Present:

President: Mike Ritter  
Vice President: Julian Varela  
Secretary: Pete Kelley  
Patty Andreen  
Jim Becker  
Lucinda Borchard  
Chris DeWeese  
Boyd Horne  
Justin Hodges  
Carolyn Morton  
Maridel Salisbury

Staff

Executive Director: Rick Cohen  
Office/Project Specialist: Penny Burciaga  
Guest: Kevin Sanchez - UBS

Absent:

Treasurer: Bill Gerrish  
Mike Ginn  
Lucinda Borchard

1. Meeting was called to order at 3:32p.m. by President Mike Ritter.
2. Roll Call by Pete Kelley
3. Report from UBS/Kevin Sanchez:
  - In 2011, the market didn't move, although it felt like a rollercoaster. We have ½ of our portfolio in stocks and ½ in bonds. The interest rates are low because the government wants money out into the market. We have a sovereign debt issue. Nation has more debt than at any other time in history. Low interest rates are not good for bonds. Interest rates may go up in 2013.
  - Our bond portfolio should remain relatively flat in 2012. Pimpcio is the largest part of our portfolio. The average yield is about 3-4%. Kevin wouldn't recommend adding more bonds this next year, if we do - they should be short-term bonds.
  - Our portfolio needs to be broad. We should stay with one manager who can buy across a broad network.
  - The other half of our portfolio is equities. Our goal is not to beat the benchmark - but to stay at the benchmark. We are investing in overseas markets since these are the only economies that are growing. We should own in the big companies.
  - We have a conservative portfolio. Last year we were down 1% but our portfolio is up over the last three years. We are spending what we earn and we were able to pay off the loan.
  - In 2012, Kevin reported that foreign countries are trying to figure out how to pay off their debt. The bottom line, if there is a recession due to the

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economic woes of Europe it will be a slight recession, it won't be the recession we saw in years past.

- Our unemployment rate has gone down from roughly 9% to 8%.
- We don't know who is going to be in the White House. So this causes a great deal of anxiety among companies because they don't know what the tax rules are going to be. Housing will continue to be flat - there is still more supply than demand.
- At this point, Kevin does not think we should make any changes in our portfolio. Later in the year, we might want to consider some changes depending on what we see happening in Europe. Right now, Kevin thinks all of our managers are good. This is a year of caution, but we should be cautiously optimistic.
- As of 12/31/11 our portfolio was valued at \$1,739,100. Our current asset allocation is 34% in fixed income, 3% in money funds, 47% in large capital equities and 16% in international equities.

4. Consent Items:

- Patty moved to approve the minutes from the November, 2011 Board Meeting and November 2011 Financial Report. Maridel seconded, all approved.

5. Updates

- a. Reminder that the Board has decided that Trustees whose terms have expired are now eligible for re-election to one-year terms on an annual basis.
- b. Elect Board Officers and Trustees for 2012 as per slate approved at last Nov. meeting.
  - (1) Maridel made a motion to approve the one-year extension to Boyd Horne's term and the election of board officers and trustees for 2012 as per slate approved at last November's meeting. Patty seconded motion. All approved.
- c. Trustees recruitment update report:
  - a. Mike and Rick will meet with Ed Herrera and Percy Jones.
  - b. Rick will reach out to Terri Frank to see if she is still interested.
- d. Approve 2012 budget
  - (1) Rick reviewed revenue and expenses and described budget items line by line.
  - (2) Since we are increasing the size of our board - trustees agreed to increase the Trustee Contribution budget by \$500 for a total of \$2500.
  - (3) Interest/Dividend Income is based on previous year's income.
  - (4) Jim Becker will talk to Tom Jones about picking up the postage costs to mail the Avila News.

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- (5) Patti would like to know the recommended percentage of overhead for non-profit foundations, and she will do some research on the subject.
  - (6) Rick will send out an updated budget for 2012, along with the bookkeeper's year-end 2011 financial report.
  - (7) Discussed future of our existence with current grant making and overhead. Mike ran some numbers awhile back showing that under existing market trends, our expenses and grant making, the Foundation corpus would be exhausted in roughly 15 years. Rick reported that foundations do not grow from investments but by ancillary funds such as estate giving. Everyone agreed that we are players in the community beyond our grant making and we are on the right path.
  - (8) Boyd made a motion to approve the 2012 budget with the amendment to increase our trustee contributions to \$2500. Julian seconded. All approved.
- e. Update on 2012 Avila Town Hall Forum
- (1) Town Hall Forum is scheduled for Friday, February 24, 2012 from 5:45-8:45 at the Avila Beach Community Center
  - (2) Speakers have been confirmed.
  - (3) To date, 59 people have reserved. If you have not registered, please do so because space is filling up fast.
- f. Update on Matching Gifts Initiative
- (1) Reviewed matching gifts awards, which has been a great success. To date we have 142 individual contributions totaling \$23,689. Matchable contributions total \$17,314 with a grand total distribution of \$41,003.
  - (2) People's Self Help Housing is holding a special event to honor ABCF on February 13<sup>th</sup> @ 3:00 at the Lachen Tara Apartments. Please RSVP by February 10<sup>th</sup> to Monica at monicas@pshhc.org.
- g. Chris reported on the Avila History & Heritage Event Committee
- (1) We will host three events - Past, Present, and Future on separate dates and at separate venues.
  - (2) Great opportunity to launch our message and develop relationships with our community
  - (3) The cost will be \$15-20pp for wine and cheese.
  - (4) Committee will continue to meet and report on our progress at future board meetings.
- h. Provide 2011 Avila Trolley Ridership Summary
- (1) Ridership is going up and it's costing us less. There was a total of 10,371 passengers in 2011 compared to 6,636 in 2010. Donations were slightly up with total fares of \$2,638 in 2011 compared to \$2,393 in 2010.

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- i. Rick presented a Trustee outreach letter and survey and asked each trustee to review the letter. The goal is to have all Trustees personalize the letter and send it - along with the survey - to friends in the neighborhood. Once surveys are returned, we will determine how to go about engaging interested individuals in special project development.
- j. Penny presented the 2012 Communications Plan summary. The goal of the plan was to put in writing what we are currently doing and plan to do in 2012 to communicate our messages to the community.
  - (1) The four main objectives of the plan are: connect, engage, educate, and inspire giving.
  - (2) The expanded plan includes strategies that outline our key messages, intended audiences, resources needed, partnership needed, timeline, objectives and key indicators.
  - (3) Penny will report on the effectiveness of our strategies at future board members. Please contact Penny if you are interested in viewing the complete plan.
- k. Other Business
  - (1) Distributed 2012 Meeting Calendar
  - (2) Distributed 2012 Board Roster

Meeting adjourned at 5:31.

<b>Next Board Meeting scheduled for April 16, 2012.</b>
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