



The mission of the Mendocino College Foundation is to educate leaders, foster intellectual growth and enrich lives by creating opportunities to invest in a better future for our students and communities.

MENDOCINO COLLEGE FOUNDATION, INC.
MINUTES OF THE BOARD OF DIRECTORS MEETING
Approved at Board of Directors Meeting on February 2, 2021

A regular meeting of the Mendocino College Foundation, Inc. Board of Directors convened on Monday, December 7, 2020 via Zoom.

GENERAL MATTERS				
<i>Call to Order</i>	President Dow called the meeting to order at 12:05 pm.			
<i>Members Present</i>	Tom Dow, President	Present	Jay Epstein	Present
	Linda Chapman, Vice President	Present	Tom Herman	Present
	Marilyn Harden, Immediate Past President	Present	Matthew Kendall	Present
	Timothy Karas, Secretary/Treasurer	Present	Tod Kong	Present
	Kim Bradley	Absent	Todd McMahon	Absent
	Greg Cavalin	Present	Tina Rader	Present
	Jerry Chaney	Present	Barbara Rice	Absent
	Channing Cornell	Present	Travis Scott	Present
	Donald Coursey	Absent	Irma Turner	Absent
	Mark DeMeulenaere	Present		
<i>Staff Present</i>	Katie Fairbairn, Executive Director Eliza Fields, Administrative Assistant II/Scholarship Coordinator Anna Kvinsland, Coastal Development Contractor			
<i>College Staff Present</i>	Eileen Cichocki, Assistant Superintendent/Vice-President of Administrative Services Joe Atherton, Director of Fiscal Services			
<i>Guests Present</i>	Wilda Shock, Lake County Friends of Mendocino College			
<i>Public Comment</i>	None.			
<i>Approval of Agenda</i>	M/S/C (Cornell/Harden). To approve the agenda and the minutes of the regular meeting on October 6, 2020 as presented. The matter passed 11-0-1. (Director Rader abstained)			
<i>Director Cavalin entered at 12:10pm</i>				



<p align="center">ANNUAL ORGANIZATIONAL MEETING</p>	
<p align="center"><i>Directors</i></p>	<p>Re-elect slate of Directors at end of 3-year term. New Term: January 1, 2021 – December 31, 2023</p>
	<ul style="list-style-type: none"> • Greg Cavalin • Channing Cornell • Donald Coursey • Tom Dow • Tom Herman • Tod Kong • Barbara Rice • Travis Scott • Irma Turner <p>M/S/C (Chaney/Rader). To approve to re-elect slate of Directors at end of 3-year term as presented.</p> <p>The matter passed 13-0.</p>
	<p>Set maximum number of Directors to sit on the Board in 2021.</p> <p>M/S/C (Scott/Harden). To approve maximum number to 21 Directors to sit on the Board in 2021 as presented.</p> <p>The matter passed 13-0.</p>
<p align="center"><i>Officers, Committee Membership, and Board & Committee Meeting Schedules</i></p>	<p>Elect slate of Executive Officers for 2021</p> <ul style="list-style-type: none"> • President: Tom Dow • Vice President: Linda Chapman • Secretary/Treasurer: Timothy Karas, Superintendent/President • Immediate Past President: Marilyn Harden <p>Elect slate of Committee Chairs and Members for 2021</p> <ul style="list-style-type: none"> • Executive Committee: Tom Dow, Chair • Finance Committee: Mark DeMeulenaere, Chair • Scholarship Committee: Jerry Chaney, Chair • Special Events Committee: Travis Scott, Chair • Land Committee: Tom Herman, Chair • Governance Committee: Channing Cornell, Chair <p>Approval of proposed meeting schedules for 2021</p> <ul style="list-style-type: none"> • Board of Directors • Executive Committee • Finance Committee



	<p>M/S/C (Cornell/Chaney). To approve the 2021 slate of Executive Officers, Committee Chairs and Members, and meeting schedules of the board & committees as presented.</p> <p>The matter passed 13-0.</p>
TIMED ITEMS	
Main Street Research – James Demmert	<p>Investment Portfolio Update. James Demmert emphasized that in general, this has not been an easy year for non-profits. The pressures of non-profits are not unique to the Mendocino College Foundation; these strains are happening everywhere. Over the last three years, the stock market has had challenges and the economy has struggled. In the coming year, stocks are anticipated to increase as investors receive better returns. The current economy is reshaping itself due to the COVID-19 pandemic; certain industries and companies may never return to “normal”. Main Street Research stays relevant; while the investment market is down roughly 38%, the Foundation’s assets were down approximately 9% due to the unique stop loss program that MSR employs. The stock market is up 12% for the year today. Foundation stocks are up 16% today and the portfolio as a whole is up 11.5% for the year after fees.</p>
Mendocino College Foundation – Katie Fairbairn	<p>Life Cycle of Foundations. Director Fairbairn provided a recap of the non-profit life cycle. The life cycle begins with formation, growth, decline and sometimes the death of an organization.</p> <p>She shared her concerns that the Foundation Board should look critically at the priorities, programmatic goals and strategic plan during this change in leadership. In the non-profit world, it is customary, when a long serving director leaves to thoroughly and thoughtfully review where the organization has been and what’s the future look like.</p> <p>The good news is that the Foundation continues to develop new donors, scholarships and AAFG adoptions. The scholarship and AAFG programs are stable and with the exception of this year, they increase in donor contributions annually. Lastly, and most importantly the foundation’s investment growth continues to reach new heights.</p>
COMMITTEE REPORTS	
Finance Committee	<p>Investment Portfolio. Investment portfolio reports were attached for information.</p>
	<p>Donations Summary. An updated donations summary report was attached for information.</p>
	<p>20/21 Budget Update. Director DeMeulenaere indicated that expenses are tracking to what was budgeted for the 20/21 fiscal year. With Katie leaving</p>



	there will be a savings within the budget under salaries. A land note from one of the land owners was paid off and the foundation will lose the receivable interest on the note for the remainder of the year. The money from payoff was put into the Treasury as a part of our annual payment to the district. The budget will be readjusted at the next board of directors meeting.
	19/20 Audit Update. Director DeMeulenaere gave thanks to a clean audit and kudos to Joe Atherton, Eileen Cichocki and the foundation staff.
	General Ending-Fund Stress Test Portfolio by MSR Update. As a part of an ongoing examination of the financial health of the General Fund, Director DeMeulenaere discussed the benefits of using Main Street Research’s stress test model. MSR provided analytical input and important discussion points on this matter. Under the most conservative assumptions, namely the current spending level coupled with no additional fund raising of any unrestricted dollars the General Fund would be depleted in approximately 16 years. The purpose of the exercise is to be part of an assessment process regarding the direction and possible reorganization of the Foundation. As the process unfolds, new assumptions will be tested. It was noted that all the other Foundation Accounts which are donor restricted were deemed to be financial sound and designed to go to perpetuity.
<i>Director Epstein entered at 1:16 pm</i>	Foundation Loan to District. The district faces cash flow difficulties due to the deferral of \$5.2 million. Joe, Eileen and the auditors worked on cash flow scenarios. The district indicated that they do not want to be in a position where they become cash insolvent. The low point will be May and June of 2021. The general fund will be out up to \$1 million. The county treasury looks at all the funds as one or together. They have reviewed and they will not have to resort to external borrowing due to a prudent reserve in their general fund.
	Foundation Land Sale. Report tabled because it was covered in previous section, “20/21 Budget Update”.
<i>Scholarship Committee</i>	21-22 Scholarship Season. Foundation staff reported out that the scholarship application season is up and running as of November 30 th . Staff is reaching out to pass-through donors about renewing pass-through scholarships as well as doing student outreach regarding the application process.
	Scholarship Flyer. Flyer attached for information.
<i>Land Committee</i>	Foundation Land Map. Director Herman provided a revised map of the Foundation land. Director Herman’s recommendation at this time is to keep the land that the Foundation currently owns.
<i>Special Events Committee</i>	No Report.



<p>Governance Committee</p>	<p>Director Cornell reported that Anna Kvinsland has been talking with an AAFG contributor, Sean Leland, a State Farm insurance agent in Fort Bragg who is interested in joining the Mendocino College Foundation Board of Directors.</p>
<p>DISCUSSION/ACTION</p>	
<p>Review and approve any changes to the AAFG Strategic Plan</p>	<p>Director Fairbairn advised on the request by Director Turner at the August board meeting to bring back the AAFG Strategic Plan at the December board meeting to update with any changes.</p> <p>This item will be tabled until the next board meeting in February 2021.</p>
<p>Approve the formation of an ad-hoc committee to read and choose a winning essay for AAFG Alumni Newsletter Essay Competition.</p>	<p>M/S/C (DeMeulenaere/Chaney). To approve the formation of the ad-hoc committee to read and choose a winning essay for the AAFG Alumni Newsletter Essay Competition as presented.</p> <ul style="list-style-type: none"> • Director Rader and Anna Kvinsland requested to be on the ad-hoc committee <p>The matter passed 14-0.</p>
<p>Approve the formation of an ad-hoc committee to review and assess the structure and operations of the Foundation</p>	<p>M/S/C (Scott/Chaney). To approve the formation of an ad-hoc committee to review and assess the structure and operations of the Foundation as presented.</p> <ul style="list-style-type: none"> • Tom Dow, Foundation President • Linda Chapman, Foundation Vice President • Marilyn Harden, Immediate Past President • Timothy Karas, President/Superintendent • Mark DeMeulenaere, Finance Chair • Tom Herman, Land Chair • Channing Cornell, Governance Chair <ul style="list-style-type: none"> ○ Additional resources that may be asked to join the ad-hoc committee: Eileen Cichocki, Joe Atherton and Wilda Shock <p>The matter passed 14-0.</p>
<p>Approve the assignment and compensation for additional duties of a Mendocino College management employee to oversee the Administrative Assistant II for the Foundation and provide general program oversight on a temporary basis</p>	<p>M/S/C (DeMeulenaere/Harden). To approve the assignment and compensation for additional duties of the Mendocino College management employee, Joe Atherton, to oversee the Administrative Assistant II for the Foundation and provide general program oversight on a temporary basis as presented.</p> <p>The additional cost of this including salary and benefits will be \$700 per month.</p> <p>The matter passed 14-0.</p>



REPORTS FOR INFORMATION	
<i>Mendocino College Superintendent/President</i>	Joint Meeting with MLCCD. The Board of Trustees requested due to the great value it provided last year at the meeting that the Board of Trustees and the Foundation Board of Directors have a joint meeting in 2021. The meeting will take place Wednesday, January 13, 2021 at 3:00 pm.
<i>Director Cavalin exited at 1:39pm</i>	First round of funding from the Foundation for California Community Colleges is roughly \$125,000. Approximately \$60,000 will be given to the College per year over the next two years for scholarships. Next largest fund that the money will be used for is the Student Emergency Fund.
<i>Foundation President</i>	Directors Annual Contributions. Foundation President Dow advised that donations have been coming in from Directors for their annual contributions. President Dow also provided information that charitable contributions may be deducted on the short tax form for up to \$300 without itemizing each donation.
	President Dow also provided a heartfelt thank you to Katie for all of the tremendous work that she has done over the years!
<i>Executive Director</i>	AAFG Donor Renewal Packet. The packet has gone out in the mail and Foundation staff has received very nice feedback about the packet and the marketing pieces that were included showing the statistical success of the program.
	Holiday Email Blast. A thank you email will go out to all our donors reminding them if they are in need of one more places to give before the end of 2020, the Foundation has various programs to donate. A small piece of the message will be from Katie to let them know of her retirement. The Foundation is incredibly solvent and we are in great shape. Email will go out Monday, December 14 th .
	Nursing Faculty Donation. Director Fairbairn reached out to all the hospitals. These donations are for the 21-22 fiscal year for the categorically funded nursing faculty position. The Foundation has received two of the three donations. Another assurance for the nursing program going forward.
	Charitable Contribution Letters 2020. Foundation staff will send out charitable contribution; mid to late January letters will go out.
	AAFG Alumni Newsletter. The first ever AAFG Alumni Newsletter has a final draft. It is projected to be finished the week of December 14 th . It will go out to all AAFG Alumni via mail. If any board members would like to review, please contact foundation staff for a copy.



	News Releases. News releases are included in packet for information.
	Charitable Giving Email Blast. An email went out mid-November explaining the tax benefits of charitable giving. The email is included in the packet for reference.
	Fall Appeal Letter. The appeal letter went out the beginning of November and continues to bring in donations.
	Coastal Development Report by Anna Kvinsland. Fort Bragg rotary has renewed their support for the 2021 AAFG cycle and Anna will be meeting with them next week.
Directors Reports	No Report.
Affiliate Reports	Friends of the Mendocino College Coastal Field Station and Natural Sciences (FMCCFSNS). Report attached for information.
	Lake County Friends of Mendocino College (LCFMC). Report attached for information. Wilda Shock volunteered for the ad hoc committee to review and assess the structure and operations of the Foundation She will be a resource member of the committee.
	Friends of Mendocino College Coast Center (FMCCC). No Report.
	Friends of the Mendocino College Theatre (FMCT). No Report.
	Friends of Mendocino College Culinary Arts Program (FMCCAP). No Report.
	Friends of Mendocino College Recording Arts & Technology (FMCRAT). Report attached for information.
	Friends of the Mendocino College Gallery (FMCG). No Report.
	Friends of the Mendocino College Nursing Program (FMCNP). Report attached for information.
	Mendocino College Athletic Boosters (MCAB). No Report.
	North County Friends of Mendocino College (NCFMC). No Report.
	Friends of Mendocino College Agriculture (FMCA). No Report.
FUTURE AGENDA ITEMS	



MENDOCINO COLLEGE
Foundation

ADJOURNMENT	<p>The meeting of the Board of Directors of Mendocino College Foundation, Inc. adjourned at 1:57 pm by Foundation President Dow.</p> <p>Submitted by: Eliza Fields, Administrative Assistant II, Mendocino College Foundation, Inc.</p>
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