



MPC

FOUNDATION

MONTEREY PENINSULA COLLEGE

BOARD OF DIRECTORS MEETING MINUTES

Wednesday, November 15, 2023

4:00 PM

MEETING IN PERSON AND ZOOM

MEMBERS PRESENT

Andrew Ausonio
Carla Becerra (Remote)
Susie Boutonnet
Jeremy Green
Jason Griffin
Dr. Alfred Hochstaedter
Jean Hurd
Evelyne Lamson
Stephan Lins
Patricia Milowicki (Remote)
Mary Alice Rennick
Maria Rengifo-Ruess
Joe Servi
Joyce Simon
Jeanette Walton
Theresa Wright
Linda Yellich

MEMBERS ABSENT

Debbie Anthony
Steve Cardinalli
Tom Clifford
Dr. Marshall T. Fullbright, III
Steve Haigler
Nathan Steen
Lin Sullivan

STAFF PRESENT

Beccie Michael
Gina Bianchi
Gerardo Olivares

1. **Meeting called to order by Stephan Lins, President at 4:10 P.M.**

2. **PUBLIC COMMENT**

There was no public comment.

3. **RECOGNITION /GUESTS**

None.

4. **APPROVAL of September 20, 2023. MINUTES (Stephan Lins, President)**

Susie Boutonnet made a motion to approve the September 20, 2023, as presented.

Second: Andrew Ausonio

All in Favor: Andrew Ausonio, Carla Becerra, Susie Boutonnet, Jeremy Green, Jason Griffin, Dr. Alfred Hochstaedter, Evelyne Lamson, Stephan Lins, Maria Rengifo-Ruess, Mary Alice Rennick, Joe Servi, Joyce Simon, Jeanette Walton, and Linda Yellich.

Nays: None

Abstentions: None

Motion Carries.

5. **BUSINESS**

A. **3rd Quarter Financial Statements (Jeremy Green, Treasurer)**

- Mr. Green presented the 3rd quarter financials. He asked the BOD to follow along with the documents provided, starting with the Profit & Loss statement.
- Jeremy explained that he will address items that have not already been addressed in depth in the prior two quarters.
- The first item is the President's Circle. This was brought up in Q1 as it was very under budget at that time, but as the year progresses, we are getting closer.

- Also for Business Partners, we are sending an appeal to all businesses in our database soon, which was discussed in Q2, but since the mailer wasn't out by Q3, we will discuss this item more when looking at the year-end statements.
- For Athletics Boosters, we were really under budget the first two quarters but there was a push in Q3 by the coaches and now we are nearly on budget.
- Regarding the Evening of Opportunity Gala, we are under budget but have not yet booked all of the revenue since the event was in October, so this will also be an item to track in Q4.
- For fee income we are over budget by about \$40K.
- The total income on the unrestricted is over budget, and that is obviously a positive. On the restricted side there is a timing issue, but all and all we are over budget for our total income.
- Maria had some questions about how we budget for scholarships, and Jeremy replied that Beccie would address this in her presentation with our next year's budget.
- Jeremy then reviewed expenses, noting that there are no large variances and overall we are maintaining our budget. For scholarships there was a large unexpected pass-through gift, and that is the reason for the over budget expense there.
- Restricted Campus support includes MPC department or program specific expenses.
- Beccie addressed Maria's point, that one of the main factors we consider in developing our seasonal budget is historical giving, and the budget from last year indicated that by this time in the year there were more donations in Campus support, but there are many factors affecting this. The good news is that because these are restricted funds, if we are over budget, we will be overbudget on both sides. For these restricted accounts, at some point, income, and expense even out.
- Jeremy then reviewed the net ordinary income, noting that we were up \$113K over our initial budget. In addition, our investments are positive, YTD we are still under budget, but overall we are coming back from last year's market.
- On the balance sheet, Karen made some adjustments following suggestions from the Finance Committee regarding operating reserve policy. Our operating reserve is at \$200K. This is now clearly reflected on the statements.
- Jeremy then mentioned the trust funds that the Foundation manages on behalf of the College. These were called "Custodial Funds" but the Financial Committee thought to rename those to have a more descriptive name on them, so they are now relabeled "Funds Held in Trust."
- Overall, the Financial Committee recommends the 3rd quarter financial statements for approval.

Joyce Simon made a motion to approve the 2023 3rd Quarter Financial Statements as presented.

Second: Jason Griffin

All in Favor: Andrew Ausonio, Carla Becerra, Susie Boutonnet, Jeremy Green, Jason Griffin, Dr. Alfred Hochstaedter, Jean Hurd, Evelyne Lamson, Stephan Lins, Patricia Milowicki, Maria Rengifo-Ruess, Mary Alice Rennick, Joe Servi, Joyce Simon, Jeanette Walton, and Linda Yellich.

Nays: None

Abstentions: None

Motion Carries.

B. Present Draft 2024 Budget (Beccie Michael, Executive Director)

- Beccie started her presentation by asking the BOD to follow along with the presentation and/or the documents provided in the agenda package. The 2024 draft budget being presented today is not an action item, it will be an action item at the next meeting in December.
- Beccie continued and gave a brief overview of the budget and budget development process.
- Beccie presented the overall process used to create next year's budget, including looking at the strategic plan, historical data, and income/expenses to date. This led to a discussion in August with the Finance Committee. Then at the November Finance meeting an initial draft was presented. Following that discussion, two versions are being brought as an information item to this meeting (November BOD meeting). Following this, it will be brought as an action item at the December BOD meeting and we adopt and execute the budget on January 1st (the beginning of the new calendar year).
- Beccie gave her presentation (available upon request) and asked the BOD if they had any questions.
- One of the key points of the presentation where board members engaged in discussion was the fact that the MPC Foundation does not charge an admin fee for all restricted donations. Beccie explained that most educational nonprofits usually charge between two to five percent of the gift to

cover the foundation's admin costs. The board discussed at length some options about how this could be implemented going back to the focus of this year's budget on sustainability. Gina added that this is a great topic to study at length since when scholarships are established, for example, donors really appreciate the fact that 100% of their gift goes to the student. There might be other ways to keep studying this possibility of the fee, label it in a way that makes sense to the donor and explain how it impacts the sustainability of the Foundation.

- The Board continued to talk about this concept. Beccie pointed out that is something we are looking at, but will discuss at length before implementing.
- Beccie explained that we are working on calculating ROIs for our key main events, and this will be very helpful to promote efficiency and achieving our strategic plan goals.
- Overall, we have over \$60K more to distribute from our endowments compared to last year, and that is great news, most of these come from Scholarships and FASA endowments, this is money just generated from endowments.
- As we saw in our Financial Statements, we have a very healthy unrestricted reserve and savings. Beccie shared that this is due to the fact that several years ago, we made a decision that we preserve our savings by treating them as our endowments, and only spend 4 to 6% of the balance every year so that we can keep relying on them and growing. This was mainly due to the fact that when Beccie started in 2013, we were spending about \$80K of our savings a year and that was not sustainable. After a discussion and further explanation, Beccie shared that this spending method was agreed upon by the board and at the time it made sense. As of September 30th, and after years of only pulling 4 to 6% from our savings, we have a million dollars. If we pulled only 4% to 6% for 2024, we would have about \$70K to help cover operation costs.
- Beccie further explained that we have two versions of the budget to discuss, and the difference is the Payroll and Benefits costs. As discussed previously, version one was presented to the financial committee assuming we may only use 6% of our unrestricted savings. This budget includes a 3% COLA for employees, resulting in a net 1% increase in payroll and benefits from 2023 to 2024. As a reminder, this 4 to 6% use of unrestricted savings is a self-inflicted rule. The Finance committee asked whether we could afford to provide a 7% COLA, commensurate with MPC's 2023 COLA, and to be competitive in the market and treat our employees fairly. Beccie then developed version two, which includes the 7% COLA, resulting in a \$19K increase compared to the first version (with 3% COLA).
- Following the presentation, the board engaged in discussion regarding the two budget options presented and requested they are both brought back at the next Board meeting for further consideration.

C. 2024 Board Calendar (Beccie Michael, Executive Director)

- Beccie presented the 2024 Board Calendar, pointing out that the Library will be under construction starting in June 2024, so the Sam Karas room will not be available for our meetings (alternative locations will be discussed).
- Another change is that Evening of Opportunity is to be determined, but other than that this is a very standard calendar.

Jeremy Green made a motion to approve the 2024 Board Calendar as presented.

Second: Linda Yellich

All in Favor: Andrew Ausonio, Carla Becerra, Susie Boutonnet, Jeremy Green, Jason Griffin, Dr. Alfred Hochstaedter, Jean Hurd, Evelyne Lamson, Stephan Lins, Patricia Milowicki, Maria Rengifo-Ruess, Mary Alice Rennick, Joe Servi, Joyce Simon, Jeanette Walton, Theresa Wright, and Linda Yellich.

Nays: None

Abstentions: None

Motion Carries.

6. INFORMATION/REPORTS

A. President's Report – Stephan Lins, Board President

- Stephan Lins gave a short report starting with the Executive Committee approving the honoring of Victoria Phillips as our 2023 Philanthropy Day Honoree. We were very happy to support a big MPC Foundation supporter. This event happens in two days.
- The 2022 Form 990 is completed and will be posted on our website shortly.

- December 6th is a very important meeting, and we have important actions items to vote on so we need a quorum.
- December 11: New board orientation, all current board members are welcomed.
- Finally, our holiday party is happening in a few minutes. We hope to see you all there.

B. Executive Director's Report – Beccie Michael, Executive Director

- Beccie shared that MC Gives 2023 started and for the first time in a while, we have a challenge gift. The campaign started this week and so far we have \$550 from two donors. All these gifts are for the Internship Endowment.
- Year-end appeal letters will be mailed in early December to approx 3,500 households who have given previously but not yet this year. She will bring some samples to the next meeting.
- Business Partners brochures were delivered this week and we will be following up personally with some folks.
- Grant News:
 - We recently received a \$50,000 grant from the Monterey Peninsula Foundation to support student internships and work-based learning experiences.
 - We submitted a request to Chevron for \$20,000 to fund the 3D FabLab Makerspace equipment and collaborative project with Engineering.
 - Still pending: our grant application requesting \$2,500 from the Rotary Club of Pacific Grove in support of the MPC Student Internship Program.
 - Declined: for the second year in a row, our grant application to the Nancy Buck Ransom Foundation requesting support of the Evans College Incentive Program was declined. We will meet with their ED soon to get some feedback from her (we did this last year and were encouraged to reapply this year, so this was particularly disappointing news).
 - Two more proposals are currently in development and will be submitted soon.
- We signed about \$15K in checks to give to our Evans CIP students and we are hosting them at a Financial Wellness Workshop tomorrow thanks to our partnership with the Monterey Credit Union.
- The 2023-2024 scholarship application cycle will open on December 1 and we already have numerous workshops and outreach activities planned. We'll have more information to report on the number of scholarships and total dollars available by the next board meeting.
- Beccie mentioned she had some gala stats, but in the interest of time, she will bring this back and report at our next meeting in December. Overall we raised a little over \$122K below the goal of \$150K, but we have some great feedback, this will be shared in depth at the next meeting.
- Fred asked about how much we typically raise with the MC Gives campaign. Beccie shared that it is usually between \$15K to \$20K.

C. Booster Committee Report – Tom Clifford

- Tabled due to Mr. Clifford's absence.
- Stephan Lins made a comment about the Lobos Zone Raffle going on right now; you can contact Gerardo to get your tickets and support MPC Athletes. Raffle announcement will be on Friday at the Gym during halftime at the Women's Basketball Game.

D. Strategic Plan Quarterly Progress Report – Beccie Michael, Executive Director

- Beccie communicated that she made a very detailed report included in the agenda packet, please read it. We are tracking really well, but again in the interest of time and the arrival of our guests at Sam Karas right now, you can email any questions you might have about our progress.

7. ANNOUNCEMENTS

- Next Board Meeting, December 6, 2023, 4:00-5:00 pm Sam Karas Room
- New Board Member Orientation, December 11, 2023, 12:00-4:00pm

8. Meeting Adjourned by Stephan Lins at 5:31 PM

Minutes presented by Gerardo Olivares on behalf of Evelyne Lamson, Secretary.