



## **LTCC Foundation Finance Committee Meeting AGENDA**

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Regular Meeting

Monday, March 18, 2015  
Lake Tahoe Community College  
Board Room  
4:30 p.m.

### **Call to Order**

#### **I. Discussion and Reports**

- A. Annual Fiscal Year 2013/14 Audit Report  
(Terri Montgomery, Partner, Vavrinek, Trine, Day & Co., LLP)
- B. Progress on 2013 Foundation Tax Return (Montgomery)
- C. Report from Ad Hoc Committee on Staffing
- D. Membership Process
- E. Finance and Executive Committee

#### **II. Action Items**

- A. Consideration of Approval of Minutes – January 21, 2015
- B. Consideration of Approval of Funding for Staffing

**III. Next Regular Meeting** – April 15, 2015 at 4:30 p.m.

**IV. Adjournment**



## LTCC Foundation Finance Committee Meeting Minutes

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Regular Meeting

Wednesday, January 21, 2015  
Lake Tahoe Community College  
Board Room  
4:30 p.m.

Attendance: Ron Alling, Julie Booth, Dr. Bob Cliff, Kerry David, Jeff DeFranco, Bob Novasel, Leon Malmel, Dr. Kindred Murillo, Joe Tillson

Guest: Gerard Tamparong

### **Call to Order**

The meeting was called to order by Bob Novasel at 4:32 p.m.

## **I. Discussion and Reports**

### **A. Review Foundation Investment Accounts with Payden & Rygel (Gerard Tamparong)**

Gerard Tamparong, VP of Payden & Rygel, reviewed the Foundation's investment portfolio and reviewed the past four year trends and year-end forecasts. Gerard noted on a year-over-year basis, US real GDP has grown on average by 2% since 2009. Gerard reported 2014 was the best year in the labor market since 1999 and job growth is on the rise. Yields and inflation are expected to remain low moving into 2015 and lower interest rates since 2007 have reflected the economic slow-down and attempts to stimulate the economy. Large cap SMP 500 stocks are looking to be the best option for 2015. Gerard also reviewed the characteristics and returns for the Foundation's short term investment funds and the balanced portfolios which include the Endowment Challenge and General Investment fund.

Discussion related to the University Center Agreement investment took place. Two million dollars will be received five days after the Board takes action to approve the revised agreement. Construction is proposed to take place in May of 2017. Investment options for managing these dollars took place.

CDARS programs backed by FDAC banks such as Wells Fargo are a good option when considering putting the funds into a CD in an effort to remove potential risk with the donation. Gerard will work with Jeff DeFranco to let him know of any local CDARS programs in this area. These funds would be distributed due to caps/limits over several banks/CD's.

- B. Revised University Center Charitable Pledge Agreement (Murillo/Alling)  
Dr. Murillo reviewed the updated pledge agreement from Lisa Maloff. The initial agreement was in the amount of \$5 million dollars, however the donor has requested that the agreement be revised to cover the entire amount of the University Center projected to cost \$5.8 million. The revised agreement requires the establishment of a reserve fund of \$200,000 for future University Center maintenance.
- C. 2014 Annual Student Success Campaign (Booth)  
Julie Booth reported that the annual fund has raised over \$22,000. In a three year revenue comparison, the newly branded campaign has increased in the second quarter by \$5,610 since 2013/14 and \$8,295 since 2012/13.
- D. Review of Quarterly Financials (DeFranco)  
Jeff DeFranco reviewed the quarterly financials and year to date revenues of \$103,098; total expenses are \$117,544. The ending fund balance has increased due to the gain of the Foundation's investment accounts.

The Finance Committee gave direction to Gerard to look at investing the Haldan Gallery account to provide a better return on these investments.

- E. Update on Baccalaureate Pilot Project (Murillo)  
Dr. Murillo reported that LTCC was not one of the 15 schools selected to offer a baccalaureate degree in the new pilot project. Should any of the community colleges that were selected chose not to move forward, opportunities to those who were not selected would be possible.

## II. Action Items

- A. Consideration of Approval of November 19, 2014 Finance Committee Meeting Minutes  
Moved Alling/Seconded Malmed/approved unanimously to approve the November 19, 2014 Finance Committee meeting minutes as presented.
- B. Consideration of Approval of Revised University Center Charitable Pledge Agreement  
Moved Novasel/Seconded Alling/approved unanimously to approve the revised University Center Charitable Pledge Agreement as presented.

### Terms of Agreement:

1. On or before November 21, 2014, Charity (Lake Tahoe Community College Foundation) shall obtain Board approval for the Project and Board approval of a commitment to build and fund the Project. On or before January 23, 2015, Charity shall approve the revised

charitable pledge agreement. The estimated cost of the Project is Five Million Eight Hundred Thousand and 00/100 Dollars (\$5,800,000) and the Charity will ensure that the College will be responsible for funding the cost of the Project other than the Five Million Eight Hundred Thousand and 00/1000 Dollars (\$5,800,000) pledge by Donor.

2. Donor pledges to Charity the sum of Five Million Eight Hundred Thousand and 00/100 Dollars (\$5,800,000) to be paid as follows:
  - Two Million and 00/1000 Dollars (\$2,000,000) five days after the Board has approved the Project and the Board has committed to funding of the cost of the entire Project; unconditionally or with conditions approved by the Donor
  - One Million Dollars (\$1,000,000) after the first day of any site work;
  - One Million Dollars (\$1,000,000) after the completion of sixty five percent (65%) of the Project;
  - One Million Dollars (\$1,000,000) upon completion of the Project; and
  - Eight Hundred Thousand Dollars (\$800,000) within thirty (30) days of the later of (i) completion of the Project, or (ii) after the establishment of Reserve Fund of Two Hundred Thousand Dollars (\$200,000) for building maintenance and ongoing capital expenses is funded as provided for in the revised agreement.
  - All payments to the Charity are conditioned upon the Charity being qualified within the meaning of 501(c)(3), 107(b) and 2055 (a).

- C. Consideration of Review and Acceptance of Quarterly Financials  
*Moved Alling/Seconded Novasel/approved unanimously accept the December 31, 2014 quarterly financials as presented.*

**III. Next Regular Meeting – March 18, 2015 at 4:30 p.m., Board Room**

**IV. Adjournment**