

**FINANCE & INVESTMENT COMMITTEE MEETING  
PASADENA CITY COLLEGE FOUNDATION  
REGULAR BUSINESS MEETING  
Thursday, November 2, 2017 3:30 p.m. Open Session  
Pasadena City College  
Foundation Conference Room  
1324 E. Green Street CDC 212, Pasadena, California 91106**

## **AGENDA**

Notice: Members of the public may request the opportunity to address the Board regarding any item on the agenda. To do so, please complete a "Request to Address the Board" form and give it to the Board Secretary prior to the deliberation of the agenda item. Individual speakers are limited to five minutes; total audience participation on any agenda item is limited to thirty minutes.

- I. CALL TO ORDER, ROLL CALL
  
- II. OPEN SESSION (3:30 p.m.)
  - A. ANNOUNCEMENTS AND RECOGNITIONS
  
  - B. PUBLIC COMMENT ON NON-AGENDA ITEMS  
*The Brown Act prohibits the Board from discussing or taking action on any item not on the agenda.*
  
  - C. CLIFFORD SWAN REPORT & REVIEW OF UPDATE
  
  - D. DISCUSSION ITEMS WITH POSSIBLE ACTION  
Pg. 2..... 1. Approval of Minutes August 30, 2017 Meeting
  
  - E. REPORTS  
Pg. 4..... 1. Financials
    - A. Budget and Financials
  
- III. ADJOURNMENT

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**FINANCE & INVESTMENT COMMITTEE MEETING  
PASADENA CITY COLLEGE FOUNDATION  
Wednesday, August 30, 2017  
3:30 p.m.  
Foundation Conference Room CDC 212  
1324 E. Green Street, Pasadena, California 91106**

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The Finance and Investment Committee of the Pasadena City College Foundation met on Wednesday, August 30, 2017, in the Foundation Conference Room CDC 212, Pasadena City College, 1324 East Green Street Boulevard, Pasadena, California 91106.

**I. CALL TO ORDER, ATTENDANCE**

The meeting was called to order at 3:30 p.m. by Mr. Wade Winter.

**Finance & Investment Committee Members Present**

Mr. Wade Winter (Chair)  
 Dr. Stephen Kanter  
 Mr. Mark Ladesich  
 Mr. Ted Samuels  
 Mr. Jim Sarni  
 Mr. Lonnie Schield

**Finance & Investment Committee Members Absent**

Mr. Richard Cupp  
 Mr. Jon Fuhrman  
 Mr. Bill Hawkins

**Foundation Staff Present**

Ms. Bobbi Abram, Executive Director  
 Ms. Kris McPeak, Director of Operations  
 Ms. Ocie Kara-Simonyan, Administrative Assistant II  
 Ms. Patricia Pejoumand, Accountant (conference call)

**Clifford Swan Investment Counsel Present**

Mr. Peter Boyle, CFA, Principal

**II. OPEN SESSION**

Mr. Winter convened Open Session at 3:31 p.m.

**A. ANNOUNCEMENTS AND RECOGNITIONS**

There were no announcement and/or recognitions.

**B. PUBLIC COMMENT ON NON-AGENDA ITEMS**

There was one member of the public who made comments.

**C. DISCUSSION ITEMS WITH POSSIBLE ACTION**

1. Approval of Minutes from April 27, 2017 meeting

**MOTION: ON MOTION OF** Mr. Sarni and seconded by Mr. Schield, the Finance and Investment Committee voted by a unanimous vote (Kanter, Ladesich, Samuels, Sarni, Schield, and Winter) of the six members present to approve the minutes of the Finance and Investment Committee meeting held on April 27, 2017.

2. Administrative Cost Rate to Charge to Campaign Donations

Ms. Abram noted the Foundation needs to consider administrative cost rates for the major gifts campaign. After a lengthy discussion, the committee decided not to charge campaign gifts with an indirect cost. It was suggested to take this to the Campaign Committee to let them know, and to re-evaluate it in 6 months. Therefore, there was no motion to set a rate.

3. Change of system from QuickBooks to Financial Edge.  
Ms. Abram applauded Patricia for her great work in transitioning from QuickBooks to Financial Edge. The office has been shifting and re-training on this new software.

#### D. REPORTS

##### 1. Clifford Swan Report

They continue to watch for implementation process on national policy, while noting that political gridlock has not yet translated into decreased market confidence. Market vitality, the dispersion of returns as measured by the CBOE Volatility Index (VIX), hit a 23-year low in early June. The VIX is widely used to gauge market fear, and notably, its low level appears to indicate uniformly confident, if not complacent, investor expectations.

June witnessed a manufacturing pickup, as the Factory Index rose to 57.8, its highest level since August 2014. Levels above 50 indicate growth. Consumer confidence also rose in June (as measured by the Conference Board) and May's 4.3% unemployment statistics are the lowest seen in 16 years.

June has been a more erratic month, containing three of the year's biggest daily advances and declines.

Clifford Swan continues to seek quality investment opportunities at attractive valuations, invest with a long term focus, and diversify appropriately to further PCC Foundation's objectives.

##### 2. Financials

Mr. Winter noted pg. 10-13 of the packet has the budget projected for the upcoming year. The investment income year to date is up \$1.8 million.

Ms. Abram noted on pg.12 of the packet under Promise Program there is \$180,000 budgeted for this program. Currently there are 132 students who are qualified for this program – the headcount is lower than the Foundation anticipated.

Ms. Abram mentioned to the committee a letter she had received from a Foundation Advisor regarding the Lucile Jones endowment fund, who is requesting a portion of this fund to be for a restricted fund such as Athletics. The Committee concurred that a formal request with a budget is required to make a consideration.

#### III. ADJOURNMENT

Mr. Winter adjourned the meeting at 5:26pm.

**MOTION:** ON MOTION OF Dr. Kanter and seconded by Mr. Schield, the Finance and Investment Committee voted by a unanimous vote (Kanter, Ladesich, Samuels, Sarni, Schield, and Winter) of the six members present to adjourn the Finance and Investment Committee meeting held on August 30, 2017.

## Pasadena City College Foundation Fund Balances & Performance

	Market Value (\$)		Performance (%) - thru 9/30/2017	
	9/30/2017	8/31/2017	Last FY	FYTD Return
<b>Foundation Funds - Short-term</b>				
Charles Schwab	62,953.04	62,930.40	0.2%	n.a.
Bank of the West - General	195,138.52	224,505.05		0.1%
Bank of the West - Special Projects	6,010.44	6,010.44		
Bank of the West - Debit	5,374.19	7,597.10		
Bank of the West - Merchant	5,983.23	13,473.23		
Bank of the West - Money Market	100.00	100.00		
	<u>275,559.42</u>	<u>314,616.22</u>		
<b>Foundation Funds - Long-term</b>				
Charles Schwab	24,393,423.10	24,118,887.60	9.1%	10.0%
Osher Scholarship Funds*	1,791,210.42	1,791,210.42		2.4%
	<u>26,184,633.52</u>	<u>25,910,098.02</u>		
<b>Total Funds</b>	<u>26,460,192.94</u>	<u>26,224,714.24</u>		

\* Value provided by 3rd party sources

## Long-term Funds^ - Manager Performance Fund Balances & Performance

	Market Value (\$)		Performance (%) - thru 9/30/2017	
	9/30/2017	8/31/2017	Last FY	FYTD Return
<b>Cash</b>				
Long-term	139,592.27	289,415.59	0.2%	n.a.
	<u>139,592.27</u>	<u>289,415.59</u>		
<b>Stocks</b>				
Clifford Swan Investment Counsel	13,660,047.58	13,272,892.86	10.3%	13.9%
Glenmede Small Cap	396,157.89	373,192.22	10.1%	23.3%
iShares Russell 2000	370,450.00	349,325.00	11.0%	24.6%
Matthews Pacific Tiger	871,973.71	865,620.69	26.0%	15.4%
MFS International Value Fund	1,077,961.26	1,064,443.73	20.0%	15.6%
Oppenheimer Developing Mkts	903,789.95	901,151.14	28.6%	8.3%
	<u>17,280,380.39</u>	<u>16,826,625.64</u>	11.9%	14.7%
<b>Fixed Income</b>				
Clifford Swan Investment Counsel	6,038,574.52	6,065,405.23	2.9%	-1.0%
Doubleline Total Return	482,426.72	484,154.24	3.6%	1.4%
Templeton Global	SOLD 12/2016	SOLD 12/2016	SOLD 12/2016	SOLD 12/2016
Vanguard Inflation-Protected Sec Fund	249,320.39	252,815.54	1.7%	-0.8%
	<u>6,770,321.63</u>	<u>6,802,375.01</u>	2.9%	0.3%
<b>Alternatives</b>				
Deutsche Enhanced Commodity Strategy	202,307.77	200,471.36	-2.8%	BOUGHT 9/2016
	<u>202,307.77</u>	<u>200,471.36</u>	-2.8%	BOUGHT 9/2016
<b>Total Funds</b>	<u>24,392,602.06</u>	<u>24,118,887.60</u>		3.8%
				3.8%

^ excluding Osher Scholarship Funds

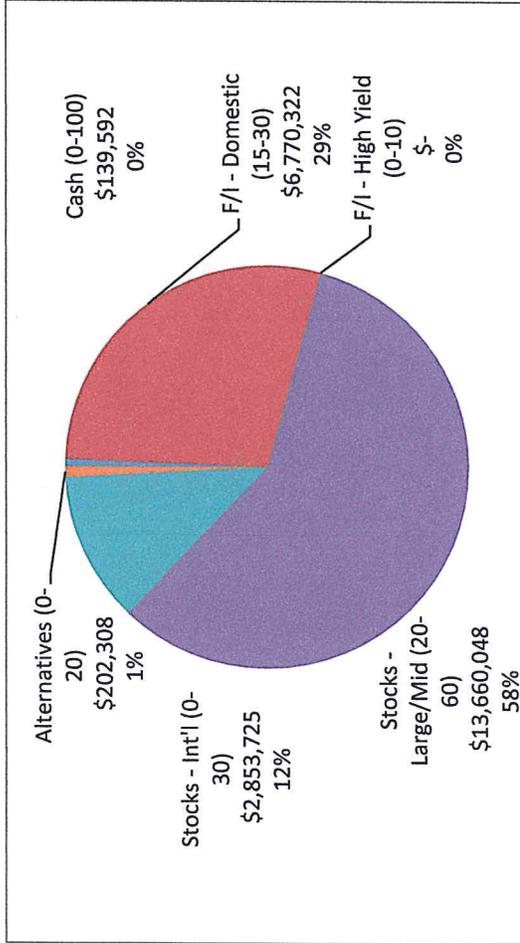
\* Performance figures are time weighted rate of return (annualized for periods greater than 1 year). These figures are gross of fees with the exception of mutual funds which are net of fees.

# Pasadena City College Foundation Asset Allocation

Foundation Asset Balance: \$26,460,192.94

## Long-term Funds - Schwab\*

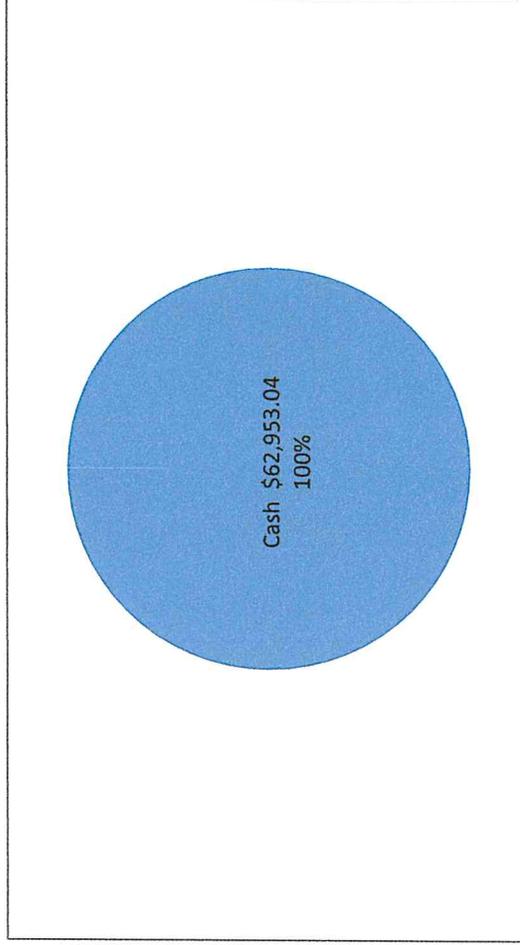
Fund Balance: \$24,392,602.06



\* excluded Osher Scholarships

## Short-term Funds

Fund Balance: \$275,559.42



Pasadena City College Foundation

Statement of Activities

July 1 through August 31, 2017

	Total		Scholarship Agency & Other		Unrestricted Actual	Total Actual	YTD Budget Variance
	Budget	YTD Budget	Actual	Actual			
<b>Revenues</b>							
Endowment Revenue	312,117.00	52,019.50					(52,019.50)
Agency Revenue	284,996.33	47,499.39	147,726.80			147,726.80	100,227.41
Scholarship Revenue	556,138.33	92,689.72	360,700.17			360,700.17	268,010.45
Grant Revenue	55,321.00	9,220.17				-	(9,220.17)
Purchases Revenue		-	150.00			150.00	150.00
Art Campaign Revenue	2,425.00	404.17				-	(404.17)
Operating Revenue	1,177,961.00	196,326.83			106,055.15	106,055.15	(90,271.68)
Administrative Fee Revenue		-	(321,367.94)		321,367.94	-	
Investment Income	430,836.00	71,806.00	147,440.07		16,382.00	163,822.07	92,016.07
<b>Total Revenues</b>	<b>2,819,794.67</b>	<b>417,946.28</b>	<b>334,649.10</b>		<b>443,805.09</b>	<b>778,454.19</b>	<b>360,507.91</b>
<b>Expenses</b>							
Agency Expense	217,442.67	36,240.44	254,214.20			254,214.20	(36,771.53)
Scholarship Expense	783,121.00	130,520.17	35,222.43			35,222.43	747,898.57
Grant Expense	55,321.00	9,220.17				-	55,321.00
Program Expenses	63,200.00	10,533.33			11,621.00	11,621.00	51,579.00
General and Administrative	424,615.35	70,769.23	28,283.00		29,801.35	58,084.35	366,531.00
Development Expenses	1,092,461.00	182,076.83	41.00		92,919.91	92,960.91	999,500.09
<b>Total Expenses</b>	<b>2,636,161.02</b>	<b>263,379.05</b>	<b>317,760.63</b>		<b>134,342.26</b>	<b>452,102.89</b>	<b>2,184,058.13</b>
<b>BEGINNING FUND BALANCE</b>	-	-	23,672,701.00		2,481,780.27	26,154,481.27	
<b>NET SURPLUS/(DEFICIT)</b>	-	-	16,888.47		309,462.83	326,351.30	
<b>ENDING FUND BALANCE</b>	-	-	23,705,971.47		2,774,861.10	26,480,832.57	

# Pasadena City College Foundation

## Statement of Activities

August 31, 2017

	<b>Total Budget 6/30/2018</b>	<b>YTD Budget 8/31/2017</b>	<b>YTD Actual 8/31/2017</b>	<b>YTD Budget Variance</b>
<b>Revenues</b>				
Operating Revenue				
Donations	\$150,000.00	\$25,000.00	\$106,055.15	\$81,055.15
Annual Dinner	\$3,500.00	\$583.32	\$0.00	(\$583.32)
Campaign Revenue	\$724,461.00	\$120,743.50	\$0.00	(\$120,743.50)
Contracted Funds From SCPR	\$300,000.00	\$50,000.00	\$0.00	(\$50,000.00)
Total Operating Revenue	<u>\$1,177,961.00</u>	<u>\$196,326.82</u>	<u>\$106,055.15</u>	<u>(\$90,271.67)</u>
Administrative Fee Revenue				
Administrative Fee	\$321,326.00	\$53,554.32	\$321,367.94	\$267,813.62
Total Administrative Fee Revenue	<u>\$321,326.00</u>	<u>\$53,554.32</u>	<u>\$321,367.94</u>	<u>\$267,813.62</u>
Investment Income				
Investment Income Allocation	\$90,000.00	\$15,000.00	\$16,382.00	\$1,382.00
Total Investment Income	<u>\$90,000.00</u>	<u>\$15,000.00</u>	<u>\$16,382.00</u>	<u>\$1,382.00</u>
<b>Total Revenues</b>	<b><u>\$1,589,287.00</u></b>	<b><u>\$264,881.14</u></b>	<b><u>\$443,805.09</u></b>	<b><u>\$162,541.95</u></b>
<b>Expenses</b>				
<b>Program Expenses</b>				
Operating Expenses				
Community Involvement	\$20,000.00	\$3,333.32	\$7,470.68	(\$4,137.36)
Discretionary Fund	\$2,500.00	\$416.66	\$0.00	\$416.66
Conference and Seminar	\$2,700.00	\$450.00	\$751.38	(\$301.38)
Foundation Meetings	\$6,000.00	\$1,000.00	\$164.12	\$835.88
Awards and Recognition	\$2,000.00	\$333.32	\$0.00	\$333.32
Accounting Fees	\$0.00	\$0.00	\$1,080.00	(\$1,080.00)
Consulting Fees	\$0.00	\$0.00	\$2,052.00	(\$2,052.00)
Professional Services	\$0.00	\$0.00	\$102.82	(\$102.82)
Printing Expense	\$25,000.00	\$4,166.66	\$0.00	\$4,166.66
Postage	\$5,000.00	\$833.32	\$0.00	\$833.32
Total Operating Expenses	<u>\$63,200.00</u>	<u>\$10,533.28</u>	<u>\$11,621.00</u>	<u>(\$1,087.72)</u>
<b>Total Program Expenses</b>	<b><u>\$63,200.00</u></b>	<b><u>\$10,533.28</u></b>	<b><u>\$11,621.00</u></b>	<b><u>(\$1,087.72)</u></b>



# Pasadena City College Foundation

## Statement of Activities

August 31, 2017

	<b>Total Budget 6/30/2018</b>	<b>YTD Budget 8/31/2017</b>	<b>YTD Actual 8/31/2017</b>	<b>YTD Budget Variance</b>
<b>General and Administrative</b>				
Personnel Expenses	\$244,865.35	\$40,810.84	\$0.00	\$40,810.84
Operating Expenses				
Accounting Fees	\$81,000.00	\$13,500.00	\$4,320.00	\$9,180.00
Consulting Fees	\$25,000.00	\$4,166.66	\$1,772.80	\$2,393.86
Professional Services	\$0.00	\$0.00	\$411.29	(\$411.29)
Office Supplies	\$3,000.00	\$500.00	\$631.99	(\$131.99)
Printing Expense	\$1,000.00	\$166.66	\$0.00	\$166.66
Postage	\$1,000.00	\$166.66	\$0.00	\$166.66
Computer Software and Equipment	\$5,000.00	\$833.32	\$0.00	\$833.32
Office Interior	\$5,000.00	\$833.32	\$10,733.38	(\$9,900.06)
Photocopier Lease	\$2,500.00	\$416.66	\$1,066.41	(\$649.75)
Advertising	\$30,000.00	\$5,000.00	\$6,241.63	(\$1,241.63)
Legal Fees	\$2,000.00	\$333.32	\$0.00	\$333.32
Bank Fees	\$2,000.00	\$333.32	\$144.91	\$188.41
Taxes	\$250.00	\$41.66	\$0.00	\$41.66
Miscellaneous	\$4,000.00	\$666.66	(\$158.89)	\$825.55
Subscriptions	\$3,000.00	\$500.00	\$399.00	\$101.00
Audit Fees	\$15,000.00	\$2,500.00	\$0.00	\$2,500.00
Software Training	\$0.00	\$0.00	\$4,238.83	(\$4,238.83)
<b>Total Operating Expenses</b>	<b>\$179,750.00</b>	<b>\$29,958.24</b>	<b>\$29,801.35</b>	<b>\$156.89</b>
<b>Total General and Administrative</b>	<b>\$424,615.35</b>	<b>\$70,769.08</b>	<b>\$29,801.35</b>	<b>\$40,967.73</b>
<b>Development Expenses</b>				
Personel Expenses	\$658,461.02	\$109,743.47	\$0.00	\$109,743.47
Fundraising Expenses				
Accounting Fees	\$0.00	\$0.00	\$1,350.00	(\$1,350.00)
Professional Services	\$0.00	\$0.00	\$128.53	(\$128.53)
Printing Expense	\$8,000.00	\$1,333.32	\$0.00	\$1,333.32
Computer Software and Equipment	\$10,000.00	\$1,666.66	\$0.00	\$1,666.66
Advertising	\$2,000.00	\$333.32	\$30.34	\$302.98
Miscellaneous	\$2,000.00	\$333.32	\$0.00	\$333.32

# Pasadena City College Foundation

## Statement of Activities

August 31, 2017

	<b>Total Budget 6/30/2018</b>	<b>YTD Budget 8/31/2017</b>	<b>YTD Actual 8/31/2017</b>	<b>YTD Budget Variance</b>
Donor Cultivation	\$10,000.00	\$1,666.66	\$0.00	\$1,666.66
Presidents Circle	\$5,000.00	\$833.32	\$0.00	\$833.32
Annual Dinner	\$8,000.00	\$1,333.32	\$0.00	\$1,333.32
Memberships	\$2,500.00	\$416.66	\$1,143.40	(\$726.74)
Database Maintenance	\$5,000.00	\$833.32	\$0.00	\$833.32
Software Taining	\$10,000.00	\$1,666.66	\$1,187.50	\$479.16
Major Gifts Operational	\$150,000.00	\$25,000.00	\$44,726.57	(\$19,726.57)
Major Gifts Campaign Campaign Consultant	\$66,000.00	\$11,000.00	\$11,151.57	(\$151.57)
Major Gifts Campaign Campaign Director	\$150,000.00	\$25,000.00	\$33,202.00	(\$8,202.00)
Giving Tuesday	\$5,500.00	\$916.66	\$0.00	\$916.66
Total Fundraising Expenses	<u>\$434,000.00</u>	<u>\$72,333.22</u>	<u>\$92,919.91</u>	<u>(\$20,586.69)</u>
<b>Total Development Expenses</b>	<u><b>\$1,092,461.02</b></u>	<u><b>\$182,076.69</b></u>	<u><b>\$92,919.91</b></u>	<u><b>\$89,156.78</b></u>
<b>Total Expenses</b>	<u><b>\$1,580,276.37</b></u>	<u><b>\$263,379.05</b></u>	<u><b>\$134,342.26</b></u>	<u><b>\$129,036.79</b></u>
<b>NET SURPLUS/(DEFICIT)</b>	<u><u><b>\$9,010.63</b></u></u>	<u><u><b>\$1,502.09</b></u></u>	<u><u><b>\$309,462.83</b></u></u>	<u><u><b>\$291,578.74</b></u></u>

## Pasadena City College Foundation

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## Statement of Financial Position

August 31, 2017

	Unrestricted 8/31/2017	Temporarily Restricted 8/31/2017	Permanently Restricted 8/31/2017	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents				
BOW 635 Operating	\$110,058.03	\$104,318.64	\$0.00	\$214,376.67
BOW 643 Savings	\$100.00	\$0.00	\$0.00	\$100.00
BOW 627 Special Projects	\$6,010.44	\$0.00	\$0.00	\$6,010.44
BOW 619 Net Community	\$11,695.49	\$1,327.74	\$0.00	\$13,023.23
BOW 544 Debit Card	\$29,606.54	(\$22,009.44)	\$0.00	\$7,597.10
CS MM-932	\$62,686.44	\$73.89	\$0.00	\$62,760.33
Other - Bank Error	\$4,611.45	\$0.00	\$0.00	\$4,611.45
Total Cash and Cash Equivalents	<u>\$224,768.39</u>	<u>\$83,710.83</u>	<u>\$0.00</u>	<u>\$308,479.22</u>
<b>Total Current Assets</b>	<b><u>\$224,768.39</u></b>	<b><u>\$83,710.83</u></b>	<b><u>\$0.00</u></b>	<b><u>\$308,479.22</u></b>
<b>Long Term Assets</b>				
Real Estate				
Lots in Arizona	\$0.00	\$10,850.00	\$0.00	\$10,850.00
Total Real Estate	<u>\$0.00</u>	<u>\$10,850.00</u>	<u>\$0.00</u>	<u>\$10,850.00</u>
<b>Investments</b>				
CS Inv 335	\$2,548,327.24	\$8,825,604.60	\$12,744,955.77	\$24,118,887.61
Osher Funds	\$0.00	\$0.00	\$2,053,465.74	\$2,053,465.74
Total Investments	<u>\$2,548,327.24</u>	<u>\$8,825,604.60</u>	<u>\$14,798,421.51</u>	<u>\$26,172,353.35</u>
Total	<u>\$2,773,095.63</u>	<u>\$8,909,315.43</u>	<u>\$14,798,421.51</u>	<u>\$26,480,832.57</u>
<b>Total Assets</b>	<b><u>\$2,773,095.63</u></b>	<b><u>\$8,909,315.43</u></b>	<b><u>\$14,798,421.51</u></b>	<b><u>\$26,480,832.57</u></b>
<b>Fund Balance</b>				
Unrestricted Fund Balance	\$2,764,078.10	\$0.00	\$0.00	\$2,764,078.10
Temp Restricted Fund Balance	\$0.00	\$8,909,315.43	\$0.00	\$8,909,315.43
Perm Restricted Fund Balance	\$0.00	\$0.00	\$14,798,421.51	\$14,661,085.64
<b>Total Fund Balance</b>	<b><u>\$2,774,928.10</u></b>	<b><u>\$9,044,818.83</u></b>	<b><u>\$14,661,085.64</u></b>	<b><u>\$26,480,832.57</u></b>