



Wednesday, May 27, 2020
Board of Directors Meeting
4:45-6:30 p.m.
Zoom

Board Present: Banerjee, Khechfe, Wong-Agbayani, Andersen, Bautista, Bewtra, Davis, Dubin, Espinosa-Pieb, Krause, Klinke, Landsberger, Mahoney, Miner, Nguyen, Oropeza, Vaidhyanathan, Wong

Board Absent: Levy, Santora

Staff Present: Cima, Howell, Latta, West,

Guests: Becky Bartindale, District Communications Coordinator; Susan Cheu, Vice Chancellor, Business Services; Marisa Spatafore, Associate VP of Communications and External Relations; Damon Whelchel, Senior Director, Investment Management, TIAA-Kaspick; Simon Pennington, Associate Vice President, College and Community Relations, Marketing and Communications

Minutes

Welcome and Call to Order

Approval of Minutes

- March 2020 Minutes Approved
 - Oropeza motioned; Krause seconded; motioned carried

Finance Report – Wong-Agbayani

- Wong-Agbayani reported that as of March the Foundation raised \$3.8M of the total annual \$4M fundraising goal. The Foundation expects to surpass \$4M by June.
- Recent gifts include: \$46K from the Los Altos Rotary Cioppino Feed to support Foothill student veterans and \$376K from the estate of C. Lee.
- Wong-Agbayani reported the Foundation's assets totaled just above \$40M at the end of April.

Investment/Finance Update –

Damon Whelchel, Senior Investment Manager, TIAA-Kaspick

- Whelchel introduced TIAA-Kaspick and its asset management services. TIAA Kaspick has more than 30 years' experience and manages \$5.9 billion in assets with many non-profit clients. It provides comprehensive investment management, reporting, and consulting.
- Whelchel informed the board that he feels the Foundation is prepared to weather the storm based on Kaspick's long-term investment approach and skilled fund manager team.

- Kaspick has maintained strong benchmarks and over 30.5 years

	Kaspick (net)	Multi-Asset Benchmark	Difference
Allocation			
Aggressive Growth	7.9%	7.7%	+0.2%
Growth	7.7	7.5	+0.2
Growth/Income	7.5	7.2	+0.3

- 2019 showed strong market returns followed by a big decline with the global pandemic and lockdowns. While the market did drop in March, markets tend to be forward looking and there was a slight upturn in May.

Performance (net of fees) as of May 26, 2020

	General Information		Asset Allocation (%)				QTD	CYTD	FYTD	1 Yr	3 Yrs	ITD	Inception Date	
	#	Acct Type	Market Value (\$)	Stocks	Bonds	Other								Cash
Account														
Foothill-De Anza Fnd Endowment Fund	1	END	22,357,376	73	26	0	0	10.1	-9.0	-2.6	0.3	3.3	5.6	6/30/16
Foothill-De Anza Fnd Expendable Fund	2	END	18,778,706	73	27	0	0	10.1	-9.1	-2.7	0.2	3.3	5.6	6/30/16
Combined Assets			41,136,082	73	27	0	0	10.1	-9.0	-2.6	0.2	3.4	5.6	6/30/16
Benchmarks														
Growth Multi-Asset Benchmark								10.0	-7.9	-1.7	1.2	3.8	5.9	6/30/16

Foothill-De Anza Foundation Allocation versus Target

Asset Class	Market Value (\$)	Actual Allocation (%)	Target Allocation (%)	Difference (%)
Equity				
U.S. Large Company Stocks	13,841,974	33.6	31.3	2.4
U.S. Small Company Stocks	1,210,419	2.9	2.8	0.2
International Large Company Stocks	6,053,328	14.7	14.0	0.7
International Small Company Stocks	1,074,616	2.6	2.5	0.1
Emerging Markets Stocks	2,184,339	5.3	5.5	-0.2
U.S. REITs	3,888,347	9.5	10.0	-0.5
International REITs	1,855,402	4.5	5.0	-0.5
Total Equity	30,108,426	73.2	71.0	2.2
Fixed Income				
High Quality Bonds	3,810,931	9.3	10.0	-0.7
Investment Grade Bonds	4,396,428	10.7	11.8	-1.1
International Bonds	1,939,858	4.7	5.3	-0.5
High Yield Bonds	777,455	1.9	2.0	-0.1
Total Fixed Income	10,924,672	26.6	29.0	-2.4
Total Cash and Equivalents	102,983	0.3	0.0	0.3
Total Portfolio	41,136,082	100.0	100.0	0.0

- Welchel emphasized the only way that the foundation can maintain return is by maintaining exposure to the market. While that can be uncomfortable, it is part of the long-term strategy.
- Welchel gave an overview of the timing and need to rebalance the portfolio.
- The Foundation has two pools (endowment and expendable funds) that are invested with the same growth allocation strategy.
- Welchel noted that Charles Schawb & Company is the custodian. Separation of management and custodial services is very important.

Chancellor's Report - Miner

- Chancellor Miner thanked Interim President of De Anza Christina Espinosa-Pieb for her work and dedication while De Anza was in the process of finding a new President. Miner said that her recommendation for the new college president will go to the Board of Trustees would be announced shortly; the Board of Trustees will consider the recommendation on June 2nd.
- The District is looking at how best to safely reopen and support students, faculty and staff. Currently, even if the shelter in place for Santa Clara County is lifted, remote work will continue until at least June 30th because the District only has so much capacity to deal with the requirements of health checks, PPE, and sanitization.
- On June 2, there will be a special board meeting where the Board of Trustees will be asked to approve Chancellor Miner's recommendation for the new De Anza President. It will also certify the election results that resulted in the passage of Measure G and will be doing the first tax levy. One of the centerpiece projects will be the new De Anza Event

Center moving forward. Miner let the Foundation Board know that the state is proposing zero dollars for instructional equipment and FHDA will likely rely on bond for that.

- Wong-Agbayani asked Chancellor Miner what the limiting factor for serving more students when there was a demand. Miner let the Foundation Board know that with declining revenue streams such as parking and dining, and with decreased funding from the state, that serving more students would increase the budget deficit.

President's Report Foothill- Nguyen

- President Nguyen thanked the board that attended her town hall with members of the community and local media.
- She let the board know that 25 student tech ambassadors had been hired to assist students with the transition to virtual campus and with their virtual classes. Also, that Foothill students had created PSA's about using Zoom and mental health.
- The Respiratory Therapy club at Foothill has been delivering food to local hospitals.
- President Nguyen also let the board know that multiple Foothill students had been accepted to Stanford University.

President's Report De Anza - Espinosa-Pieb

- Espinosa-Pieb expressed her admiration and pride for how faculty and staff were able to continue to provide high quality services and instruction to students with very little time to prepare.
- Enrollment for De Anza for spring is steady, while there is an increase in demand for summer.
- In planning for a virtual commencement rather than in-person De Anza has created "graduation boxes" with items to help students celebrate with their loved ones. Other community colleges who had virtual graduations earlier in the month and had a lower turnout than expected according to Spatafore, but as of the board meeting 200 boxes had been purchased.

Foundation Report – Cima

Cima proposed monthly Board Meetings with the next meeting on June 17 at 3:00 pm. These meetings will be an hour long and meant to keep the board informed and in touch with the fluid situation due to the pandemic. Meeting schedule for the months ahead is as follows:

June 17, 2020 – 3:00 p.m.

July 22, 2020 – 5:00 p.m. (regularly-scheduled meeting)

August 19, 2020 – 3:00 p.m.

September 23, 2020 – 5:00 p.m. (regularly-scheduled meeting)

October 21, 2020 – 3:00 p.m.

Meeting adjourned 6:31 p.m.

Next meeting June 17th at 3:00 p.m. via Zoom