

Attachment 4

Includes the following documents:

1. Previous Executive Director Memo on status of HCBF

To: HCBF Board of Directors
From: Ben Schirmer
Date: Thursday, March 30, 2017
Subject: Executive Director Status/Transition Memo

Below is a status memo as requested by the HCBF Board of Directors.

1. Status of current programs and activities including any financial encumbrances as well as other types of status:
 - a. China Shipping – the China Shipping funds were transferred from the Port to our account managed by California Community Foundation. The actual account is at City National Bank. Carol Bradford is our contact at CCF. Both David Sloane and Meghan have her email address. Additionally, the \$250,000 advance for administrative costs was transferred into an account at Bank of America. A consultant needs to be retained to handle the writing of the RFP and to handle oversight of the grant making and the grant reporting process. I met with Teresa Pisano at the Port to clarify that she is our main point of contact on the China Shipping project. I e-introduced Teresa to Meghan and David Sloane so that everyone has the contact. Teresa did let me know that she has the name of a possible consultant (not someone from the Port) that might be able to assist HCBF with drafting the RFP. I have also spoken with John Wentworth, Board Chair for Port Tech, about their ability to possibly be the consultant to draft the RFP. Port Tech is now part of LACI (LA Cleantech Incubator) and they have expressed interest in further conversations about this project. I have e-introduced John to Meghan and David Sloane.
 - b. Grants – the board previously voted to approve \$1M in grant funding for 2017. The process to award the first round, Community Benefit Round 5, has already started. LOI's were due Monday, March 27th. The second round of funding, Community Benefit Round 6, is scheduled to be awarded later this year.
 - c. Land use – the bulk of the study is done. The ad hoc committee (David Sloane, Kathleen and Sean) was tasked with creating a list of possible edits to the study. The board agreed to retain Raimi to make those edits at an hourly rate. The ad hoc committee is reviewing a proposal by Raimi for dissemination of the study through a webpage. The cost of this additional project can be paid for using the funds remaining in the Land Use Account along with funds currently unencumbered in the Operating Account.
 - d. San Pedro Noise Study – this contract is well under way and should be completed shortly. The current balance in the Noise Study Account has been spent on the study too date. And, the balance of the cost of the study can be paid by the unencumbered funds in the Operating Account.
 - e. Lease – HCBF entered into a 3 year lease for office space on June 23, 2015. Each year the lease has a built-in increase to account for inflation. The lease expires on July 14, 2018. The Foundation currently has no other lease obligations.

2. Expected expenditures and income, two or three scenarios where the foundation continues on its current course or acts to limit expenditures and extend the life of the foundation.

Status of PCMTF:		
		Note:
Current balance	\$3,177,671	As of 3/27/17
Grants approved for 2017	\$1,000,000	
Subtotal	\$2,177,671	
Less, Operating budget for 2018	\$203,427	See below for calculation
Balance of PCMTF	\$1,974,244	As of 12/31/17
Possible grant funding for 2018	\$1,000,000	
Less, Operating budget for 2019	\$203,427	based on budget for 2018
Balance of PCMTF	\$770,817	As of 12/31/18
Possible grant funding for 2019	\$770,817	
Balance of PCMTF	\$0	As of mid 2019
Projected Operating Budget if another ED is not hired:		
Operating Budget for 2017	\$353,427	Approved budget for 2017
Less	\$150,000	Approx. savings if don't fill the ED position
Operating Budget for 2018	\$203,427	Possible budget for 2018

The above numbers are approximations and could be higher or lower depending on circumstances. Under the above scenario the PCMTF funds would be spent down somewhere in the middle of 2019. This time frame could shift either way depending on the amount of grant making the board decides to do over the next 2 years and depending on the Operating Budget for 2018 and 2019.

Additionally, as previously mentioned, the Operating Budget could be greatly reduced should the board decide to not fill the Executive Director position. The Operating budget could also be reviewed and reduced for 2018 and beyond based on other savings if the Executive Director position is not filled. The amount listed above is just a rough estimate of what the Operating Budget might be without the Executive Director's salary.

3. David Norgard contract from 2 or so years ago – this was sent to David Sloane. However, David Norgard is not available at this time.
4. The following is a list of duties and tasks currently performed by the Executive Director. Meghan requested this list to help her understand what tasks and duties need to be performed in the absence of an Executive Director.
 - a. Process and pay all bills, ongoing
 - b. Reconcile bank statements with proper back-up, monthly

- c. Process payroll, every two weeks
 - d. Process 401(k) contributions, every two weeks
 - e. Develop Operating Budget, annually
 - f. Draft Budget Memo for HCBF Board, annually
 - g. Draft Budget Memo for BOHC, annually
 - h. Draft Wire Transfer Instructions for Budget, annually
 - i. Coordinate Execution of Joint Letter with Port, 3 times year (once for budget, twice for grants)
 - j. Coordinate transfer of funds from investment accounts to cash account, on-going
 - k. Draft Grant Request/Approval Memo for HCBF Board, twice a year
 - l. Draft Grant Request/Approval Memo for BOHC, twice a year
 - m. Draft Wire Transfer Instructions for Grant/Request Approval, twice a year
 - n. Review LOI's, twice a year
 - o. Score grant applications, twice a year
 - p. In general, oversee grant making process, twice a year
 - q. Review and approve contracts with grantees, twice a year
 - r. Review and approve all insurance contracts, several times a year
 - s. Update payroll tax in Quickbooks, annually
 - t. Research options for China Shipping project, on-going
 - u. Oversee Land Use Study, on-going
 - v. Oversee San Pedro Noise Study, on-going
 - w. Prepare agenda for HCBF board meetings, monthly
 - x. Attend HCBF board meetings, monthly
 - y. Review and approve minutes from HCBF board meetings, monthly
 - z. Prepare for and oversee audit process, annually
 - aa. Prepare for and oversee 990 preparation process, annually
 - bb. Supervise staff, on-going
 - cc. Review and approve staff leave requests, on-going
 - dd. Review monthly financial reports from accountant, monthly
5. As a reminder, our accountant, Kathy Walsh, has given notice. She will no longer provide accounting services after the end of April.