MINUTES OF
BOARD OF DIRECTORS MEETING
638 S. Beacon Street, Room 452, San Pedro, CA 90731
Friday, September 18, 2015, 10:00 A.M.

BOARD MEMBERS:

Present: Sean Hecht, Michele Prichard, Jesse Marquez, David Thornburg, and Kathleen Woodfield (also in attendance: Cristin Mondy).

Absent: Dr. Silvia Prieto and David Sloane.

LEGAL COUNSEL: Michael Jenkins, Jenkins & Hogin LLP
HCBF STAFF: Ben Schirmer, Ata Khan, Meghan Reese

Meeting called to order at 10:11 A.M.

ITEM A. PUBLIC COMMENT ON NON-AGENDA ITEMS - none

ITEM B. EXECUTIVE DIRECTOR & STAFF REMARKS

- Ben Schirmer, Executive Director, made several announcements to the Board.
  o HCBF joined SoCal Grantmakers.
  o Ben met with the auditors to discuss the upcoming audit.
  o The Toberman Neighborhood Center amendment is being drafted.
  o Community Benefit Round 3 was launched, with applications due Friday, September 25, 2015.

ITEM C. BOARD MEMBER REMARKS

Sean Hecht, Michele Prichard, and Kathleen Woodfield offered remarks thanking Jesse for his commitment to environmental justice issues, and for his time on the HCBF Board of Directors.

ITEM D. GUEST PRESENTATIONS - none

CONSENT ITEMS

1. REVIEW AND APPROVE MINUTES OF HCBF BOARD MEETING DATED AUGUST 21, 2015

Motion by J. Marquez. Seconded by M. Prichard. Carried unanimously (Cristin Mondy did not vote on this item).

REGULAR ITEM

MITIGATION PROGRAM REQUIRED BY THE CHINA SHIPPING AMENDED STIPULATED JUDGMENT ("HCBF CHINA SHIPPING AGREEMENT").

In 2003, NRDC, Coalition for Clean Air and two San Pedro Homeowners entered into a settlement agreement to resolve a CEQA dispute involving the plan of the Port of Los Angeles (POLA) to expand the China Shipping terminal. The settlement agreement obligated the City of Los Angeles and POLA to, among other things, create a $50 million air quality and aesthetic mitigation fund. Of that fund, $20 million was earmarked for reduction of air pollution from port operations (e.g., projects that reduced emissions from ships, locomotives, trucks, and tug boats). For various reasons, the entire air quality fund was not spent by the date required in the settlement agreement; over $9 million remains today. Pursuant to the original China Shipping settlement agreement, the parties now have agreed on “an independent air quality mitigation program” to administer the funds, with “restrictions sufficient to ensure that such funds are used to reduce Port-related emissions.” Under the proposed new agreement ("HCBF China Shipping Agreement"), HCBF will play a key role in the program to administer approximately $5.2 million of the remaining funds, by developing RFPs, soliciting proposals, evaluating those proposals, selecting projects to fund, and managing the flow of funds under the program. The terms of the draft agreement have been negotiated over the past three years among Port staff and attorneys, representatives of the China Shipping plaintiffs, and HCBF representatives. Approval of the HCBF board, the Board of Harbor Commissioners, and each of the China Shipping plaintiffs will be necessary for the agreement to be effective.

Michele Prichard requested clarification regarding whether HCBF can award funding to for profit businesses. Mike Jenkins, HCBF legal counsel, remarked that HCBF is not restricted to exclusively funding non-profit organizations.

Board resolved to:

1. Approve Harbor Community Benefit Foundation proceeding to enter into the contract presented for review, in its substantial form, known as the HCBF China Shipping Agreement, and,

2. Authorize Ben Schirmer, in his capacity as the Executive Director of the Harbor Community Benefit Foundation, to sign the final HCBF China Shipping Agreement.

Motion by J. Marquez. Seconded by M. Prichard. Carried unanimously (Cristin Mondy did not vote on this item).

3. BOARD OF DIRECTORS ELECTION

On May 31, 2011, the HCBF Board of Directors convened for the first time. Board members are limited to three terms. The third and final term of founding Director F, Silvia Prieto, expired in May 2015. Under HCBF’s bylaws, appointments and reappointments to all the currently-expiring Board member seats require selection, nomination, and/or other approval by outside entities. LA County Public Health Department has nominated Cristin Mondy as Director F, and the Board of Harbor Commissioners approved the nomination on September 17th, 2015.

Board resolved to:

1. Approve the selection by LA County Public Health Department of Cristin Mondy for Director seat F.

Motion by K. Woodfield. Seconded by D. Thornburg. Carried unanimously.

4. DISCUSS 2016 BUDGET

Ben Schirmer, Executive Director, discussed the process involved with drafting HCBF’s 2016 Operating Budget, including input from the Board. As noted in item #1, HCBF is scheduled to receive China Shipping funding of approximately $5.2 million. This item included a discussion about developing a preliminary spending strategy for the initial payment of $250,000 for administrative costs received as part of the China Shipping funding that is to be used to develop an RFP. These funds need to be considered in the 2016 operating budget development.
Board members remarked that they would like to see multiple year comparisons within the 2016 budget draft.

7. MEETING ADJOURNED

The meeting was adjourned at 11:14 A.M.

I hereby certify that these minutes have been approved.

[Signature]

Sean Hearn, Board Chair

October 16, 2015