



Thursday, August 15, 2019 Minutes

Present

- **Institute Board Members:** Teresa Acosta, Michele Beal Bagneris, Patrick Blacklock Stan Caldwell, Brett Channing, Carolyn Coleman, Hal Conklin, Mark Gaughan, Rod Gould, Nick Gonzalez, Randi Johl, Jim Keene, Graham Knaus, Lee Lor, Pat Martel, Dan Miller, Richard Montgomery, Sue Novasel, Nat Rojanasathira, Lydia Romero, Erin Steffen, Hilary Straus
- **Absent:** Neil McCormick
- **Guests:** Jonathan Kaufman, Jeannie Howell, Emily Thielman
- **Staff:** Karalee Browne, Kim Danko, Nicole Enright, Kristy Jensen, Melissa Kuehne, Erica Manuel, Christal Lazard and Randi Kay Stephens

I. Welcome/Introductions

The board and staff participated in an icebreaker activity to introduce each other and begin the board meeting.

II. Administrative Items

May 2019 Minutes

Graham moved to approve the May 2019 minutes. Richard seconded. All in favor. Motion approved.

Presentation to Patrick Blacklock

The board and staff presented a certificate to thank Patrick for his service to the board

III. Executive Committee Report

Strategic Planning and Board Retreat

Michele referred the Board to the strategic planning ad hoc committee report in the packet.

IV. Governance Committee Report

Current Member Terms & Future Board Vacancies



Brett reported that on the July 23 call the Committee reviewed Board member terms. Hal's term is expiring this year. As Patrick is stepping down, the Board will need a new liaison to county executives, which will be an item for discussion at the November Board meeting.

Leadership Succession Planning

Brett shared that the vice chair role is a two-year term and with Michele and Rod reaching the end of their terms, the Committee will seek advice from the executive committee on succession. A decision will be brought to the Board in November.

Rod committed to continued service on Board. Michele will serve as immediate past chair.

Marketing Committee

Brett reported that a standing Marketing Committee will be created given the desire of the Board. The Governance Committee is developing roles for the new Marketing Committee, which may be smaller in size and include external members. By the November meeting, the Governance Committee will have a recommendation for the Board on roles, a chairperson, committee members, and bylaw changes. The Board was asked to let Brett know if they have interest in serving on this Committee.

V. Advancement Committee Report

Board Giving

Teresa thanked the Board members who have already given, and reminded the rest of this Board of the 100% Board giving goal and the importance of that metric for potential funders.

Erica encouraged Board members to shop through Amazon Smile, which will donate a portion of proceeds from purchases to ILG. Visit smile.amazon.com and type in Institute for Local Government.

Fundraising Summary

Teresa shared that the Advancement Committee met July 26 and discussed the fundraising summary, which shows partner organizations are committed.

Erica shared staff is securing sponsorships for the Innovative Pathways to Public Service event August 29. She also reported that the American Lung Association grant is complete, Gateway Cities II is winding down, the California Endowment has come back on as a funder, and that the League provided a new grant.



Partner Program Update

Teresa shared that staff has identified a list of prospective partner agencies. Teresa encouraged Board members to support staff's outreach by emailing a list of contacts and potential partners to Erica.

Teresa reported that ILG is in the process of revising the partner program together with the League, which will be released at the end of 2019 or early 2020. She is participating as an ad hoc study the League is conducting on the partner program, of which the League is seeking the Board's input.

VI. Finance Committee Report

2018 Audit

Erica provided the Committee update in Neil's absence. The Committee brought forward a draft audit report to include in the Board packet, which is now final and has been provided to staff. The CPA firm was on the phone during the Committee call on August 6, sharing that ILG passed the audit and is in compliance and noted no items that would be disputed by the IRS. The management report will be on the audit report to offer summary and recommendations. Financial health is firm with a large and anticipated financial loss in 2018 that has been offset by a coordinating decrease in expenses and the high level of staff turnover in 2018 was referenced. The auditors commends Kristy and Tyler, Michele for their work on the audit.

Rod motioned to approve the 2018 audit. Pat seconded. All in favor. Receive and file 2018 audit.

June 2019 Financials

Erica reported an initial investment in CalTrust was for \$1,000 and that in July the Committee authorized to transfer \$500,000 from money market to earn additional income from interest. The financial shows a decrease in June because contracts from Sustainability have been billed but cash has not yet been received. Accounts receivable increased. Staff started SGC work a little later than expected and is on track with a quarterly billing cycle. Staff is also billing down the WIB grant.

For non-project operations, which includes marketing, staff meetings, planning, the board retreat and others, the budget line item differs from the budget itself as staff is billing time as we work it to better understand how our time is being spent, which will allow staff to right size the 2020 budget accordingly. The large and unexpected contribution from the League puts ILG well above expectations, portions of which are



being put away in a reserve fund. Expenditures were 4% lower than expected for the period.

Stan motioned to approve the June 2019 financials. Pat seconded. All in favor. Receive and file June 2019 financials.

ILG Investment Update

ILG is actively engaging in a finance policy which the Finance Committee approved at the last board meeting.

2018 Form 990

Erica's name is now on this form, which changes with program descriptions.

Graham moved to approve the 2018 Form 990. Lydia seconded. All in favor. Approved,

Draft Reserve Policy

Erica shared the committee is providing recommendations on a draft reserve policy for two types of reserve accounts: operating reserve fund and a special opportunity and project fund. The draft reserve policy will define the two reserve funds, include how to designate restricted funds, outline how to account for and fund the reserve. The Committee sought a recommendation from the Board on who should approve the use of reserve funds- either the Board or the Committee.

In the past the Executive Director had approved use of reserve funds. The Board agreed the Finance Committee should provide a recommendation to the Executive Committee, who will have authority to make a decision. The full Board will be informed immediately upon a decision.

Nat motioned to approve the immediate notification of the Board following ratification by the Executive Committee and Finance Committee for use of reserve funds. Dan seconded. All in favor. Approved.

VII. Program Updates

Staff provided brief highlights of ILG's 2019 initiatives. Full program updates were included in the packet.

VIII. Executive Session

The Board first met without the Executive Director, then with the Executive Director.

IX. Adjourn