

Cabrillo College FOUNDATION

OFFICERS

PRESIDENT
Owen Brown

VICE PRESIDENT
Claire Biancalana

SECRETARY
Gun Ruder

CHIEF FINANCIAL OFFICER
Pegi Ard

PAST PRESIDENT
William Ow

COMMUNITY REPRESENTATIVES

- Rob Allen
- Michele Bassi
- Linda Burroughs
- Ceil Cirillo
- Linda Downing
- David Heald
- Matt Huffaker
- Kelly Nesheim
- Amy Newell
- Ed Newman
- June Padilla Ponce
- Patty Quillin
- Maria Esther Rodriguez
- Karen Semingson
- Kate Terrell
- Rachel Wedeen

COLLEGE TRUSTEE REPRESENTATIVES

- Ed Banks
- Rachael Spencer
- Donna Ziel

COLLEGE STAFF REPRESENTATIVES

- Matthew E. Wetstein
President
 - Sue Gochis
VP Student Services
 - Kathleen Welch
VP Instruction
 - Kristin Wilson
Faculty Representative
- EXECUTIVE DIRECTOR**
Eileen Hill

MEMORANDUM

DATE: June 16, 2020

TO: Finance & Investments Committee
Owen Brown, Marshall Delk, David Heald, Michael Machado, Kelly Nesheim, Gun Ruder, Steve Snodgrass

TO: Executive Committee
Pegi Ard, Claire Biancalana, Linda Burroughs, David Heald, William Ow, Gun Ruder, Rachael Spencer, Matt Wetstein

FROM: Owen Brown, CCF President
Pegi Ard, CFO, Finance and Investment Committee Chair

STAFF: Eileen Hill, Nancy Machado, Kate Staveland

**SUBJECT: Joint Finance and Investment and Executive Committee
Zoom Virtual Meeting
Thursday, June 18, 2020
10:00 am – 11:00 am**

Item	Responsibility	Page
A. Regular Open Session		
1. Welcome and Call to Order	O. Brown	
2. Approval of Agenda	O. Brown	
<i>We reserve the right to change the order in which agenda items are discussed and/or acted upon at this meeting. Subject to further action, the agenda for this meeting is to be approved as presented. Items may be added to this agenda for discussion or action only as permitted by the Brown Act.</i>		

Any open session writings distributed either as part of the agenda packet, or within 72 hours of a regular meeting, can be requested at foundation@cabrillo.edu

Item	Responsibility	Page
B. Public Comment		
1. Public Comment Opportunity	O. Brown	
C. Action Item		
1. Paycheck Protection Program (PPP) Loan	E. Hill	3 – 5
D. Adjournment		
1. Adjournment	O. Brown	

2020-21 FINANCE AND INVESTMENT COMMITTEE MEETINGS:

Thursdays, 9:00 am – 10:00 am

August 13, 2020
October 8, 2020
January 7, 2021
March 25, 2021

2020-21 EXECUTIVE COMMITTEE MEETINGS:

Thursdays, 9:00 am – 10:00 am

August 27, 2020
October 22, 2020
January 21, 2021
April 15, 2021

MEMORANDUM

DATE: June 16, 2020

TO: Finance & Investments Committee and Executive Committee

FROM: Eileen Hill

SUBJECT: Paycheck Protection Program Loan

PAYCHECK PROTECTION PROGRAM (PPP) LOAN INFORMATION

The Paycheck Protection Program is a Small Business Administration (SBA) loan that helps businesses and nonprofits keep their workforce employed during the Coronavirus (COVID-19) crisis. The PPP loan is eligible for “forgiveness,” and will not need to be repaid if funds are used for payroll, rent, mortgage interest, or utilities and as long as certain conditions regarding maintaining employment levels in accordance with the law are met.

The Cabrillo College Foundation is projecting an operating budget deficit of \$58,121 in 2020-21. This budget projection is based on an 18% reduction in the endowment management fee and 6% reduction in President’s Circle. In addition, a deficit of \$55,873 is projected for the following year. Given the magnitude of unemployment in the country, the volatile stock market, and the ongoing COVID-19 pandemic, we are in uncharted territory, making it difficult to predict operating revenue and our ability to fund raise from the community. The PPP loan would provide some stability during this uncertainty.

The Foundation staff has worked with Michele Bassi at Santa Cruz County Bank and Christine Perez at our auditing firm, Eide Bailly to understand the PPP loan, details for applying and accounting processes for managing the loan funds. Based on the parameters to apply, we anticipate our loan amount will be \$102,568.

Estimated PPP Loan amount: \$102,568.

Loan Forgiveness Parameters

- Funds must be spent in 24 weeks. We can apply loan funds to payroll, which is approximately \$42,000/month.
- 60% or more of funds must be spent on payroll: We can apply loan funds to payroll only.
- Must maintain employee FTE: We have one .5 FTE employee who chose not to return to work during Covid19 to stay home with her young children. This situation falls under the safe harbor for FTE and will allow the loan to be forgivable.
- Must maintain salaries/rate of pay: We do not have any salary reductions planned.

Loan Management

If the Finance and Executive Committees decide to move forward and we are approved for a PPP loan, we will designate Pegi Ard, CFO to help oversee the use of loan funds.

Next Steps:

1. Discussion if CCF should apply for a PPP Loan. If yes:
 - a. Finance Committee approval to apply for a PPP Loan
 - b. Executive Committee approval to apply for PPP Loan
 - c. Resolution (draft attached) signed by Gun Ruder, Foundation Board Secretary

RECOMMENDED MOTION

FINANCE COMMITTEE: Finance and Investments Committee recommends to the Executive Committee that the Cabrillo College Foundation apply for a PPP Loan.

EXECUTIVE COMMITTEE: Approve the Cabrillo College Foundation applying for a PPP Loan.

CABRILLO COLLEGE FOUNDATION

Resolution to Borrow from Santa Cruz County Bank

RESOLVED, that Owen Brown, Cabrillo College Foundation President and Eileen Hill, Executive Director of the Nonprofit Corporation are authorized, for the account of this Nonprofit Corporation, and on such terms and conditions as he/she/they may deem proper, to borrow from Santa Cruz County Bank sums of money; and to sign, execute, and endorse all such documents as may be required by said bank to evidence such indebtedness; to discount or rediscount with said bank any of the bills receivable owned by this Nonprofit Corporation; to apply for and obtain from said bank letters of credit, and to execute agreements to secure said bank in connection therewith, to pledge and/or mortgage any moneys on deposit or any moneys otherwise in the possession of said band, and/or any bonds, stocks, receivables, or other property of this Nonprofit Corporation, to secure the payment of any indebtedness, liability, or obligation of this Nonprofit Corporation to said bank whether now due or to become due and whether existing or hereafter incurred, to withdraw and/or substitute any property held at any time by said bank as collateral, and to sign and execute trust receipts for the withdrawal of same when required; and generally to do and perform all acts and sign all agreements, obligations, pledges, and/or other instruments necessary or required by said bank.

The undersigned hereby certifies that he/she is the duly elected and qualified Secretary and the custodian of the books and records and seal of Cabrillo College Foundation, a nonprofit corporation duly formed pursuant to the laws of the state of California and that the foregoing is a true record of a resolution duly adopted at a meeting of the Finance Committee and Executive Committee members and that said meeting was held in accordance with state law and the Bylaws of the above-named Nonprofit Corporation on June 18, 2020, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name as Secretary and have hereunto affixed the corporate seal of the above-named Nonprofit Corporation this 18th day of June, 2020

Gun Ruder, Secretary