

FULLERTON ARBORETUM COMMISSION

MINUTES
REGULAR MEETING
September 11, 2019
-DRAFT-

*approved
12-11-19*

The 195th meeting of the Fullerton Arboretum Commission was held in the Pavilion Classroom at the Fullerton Arboretum.

Commissioners present: Greg Saks, Tony Florentine, Kristin Prior, RJ Stager, Marie Johnson and Doug Chaffee

Others Present: Gregory Dymont, Director
Fran Colwell, Friends President
Marta McDaniel, Recorder
Miguel Macias, Education Manager
Kathie Kingett, Friends Past President
Christopher Swarat, Interim A.V.P., EIP
Lynn Stewart, Director of Business Development, EIP
Katie Savant, Director of Local & Community Relations
Pam Olliver, Provost
Patrick Guzman, Auditor

Commissioner Saks called the meeting to order at 3:00 p.m.

PUBLIC COMMENTS:

No public comments.

NEW BUSINESS

1. Action Item: Approve Minutes from March 13, 2019 – Saks

Commissioner Saks asked for approval of the March 13, 2019 minutes.

MSC – Minutes accepted and approved unanimously.

2. Review: FY 2018-2019 Financial Audit – Patrick Guzman

Guzman reviewed the Financial Statements page by page.
(Exhibit A)

Guzman reviewed the letter of Communication With Those Charged With
Governance
(Exhibit B)

Guzman reviewed letter of Communication Of No Material Weakness
(Exhibit C)

Guzman reviewed letter of Management
(Exhibit D)

Discussion followed regarding the dissolution of the Fullerton Arboretum
Authority. Guzman to provide the appropriate guidelines in final version of
financial statements.

**3. Action Item: Approve Transfer of Joint Investment Committee 2020 Fund
from the Friends' Wells Fargo Account to the Arboretum Endowment
Account at CSUF Philanthropic Foundation – Fran Colwell**

Colwell asked Dymant to share history of how the 2020 Fund was created.

Dymant stated that Jim and Virgie Bacon gifted their Washington Mutual shares
to the Arboretum in 1985 to start an endowment fund. However, because the
Arboretum was not a 501c(3) at that time, the university decided to give custody
of the shares to the Friends' of the Fullerton Arboretum who was already a
501c(3). Friends' have managed the fund very well and shares have grown
significantly.

Colwell stated the time has come to return custody of the endowment fund to the
Fullerton Arboretum Authority and transfer the fund to the Arboretum Endowment
account at CSUF Philanthropic Foundation.

Discussion followed regarding timing of move, rate of return, fees and
management of funds by the Foundation. The funds must be held by the
Foundation for 1 year before a payout can be given. Transferring the funds now
will allow for that time and give a payout in March of 2021, when the Arboretum
will need funds to be available. The current rate of return is 7%. Fees to manage
funds is 1% and funds are managed by Goldman Sachs in a pooled account.

Foundation holds 2 years in reserve for payout distributions for those times when the market is in distress. The distribution payout is 3% with remaining percentage reinvested for growth. There are no tax implications because Foundation is a 501c(3).

Colwell stated that the Friends' were in agreement that the Fund should be managed by CSUF Philanthropic Foundation.

Florentine stated that the story of the Bacon endowment was noteworthy as well as how well the Friends' had managed the money and grown it significantly.

Florentine stated that donors should be made aware that donations to the Arboretum Endowment would be designated for the Arboretum's needs **only** as there was fear that donations given to CSUF would be used for other purposes.

Saks stated that any donations given to CSUF Foundation for the Arboretum would be designated for the Arboretum's use only.
(Exhibit E)

MSC – Transfer of the Joint Investment Committee 2020 Fund from the Friends' Wells Fargo Account to the Arboretum Endowment Account at CSUF Philanthropic Foundation was accepted and approved unanimously.

4. Director's Report – Dyment

Dyment said the JPA expires in 15 months. Auditor has pointed out that there is paperwork that needs to be completed.

The Friends' Support and License Agreement was approved by the Board and there are specific instructions within the agreement on how to wind down operations.

Swarat and Dyment have met with the Friends to discuss how the Friends will provide support after the JPA. Friends will not run events but will continue to provide philanthropic support as well as volunteer support. The JPA Completion Timeline explains how.
(Exhibit F)

Dyment said there is a need to make-up a \$145K revenue loss. A new facility rental program will be the way through.

Dyment said Greg Bell, successful restaurateur, has been brought on as a consultant and will be putting together a business plan to run the new rental program. The goal is to have an event at the Pavilion every day, i.e. corporate meetings, day trips etc.

Dyment said Bell will be paid by the Small Business Development Center Grant. Bell has said that he thinks this is a great opportunity close to his heart and he has many great ideas.

The Timeline to end the Friends' agreement will be adjusted to work with the Friends' business and will be best to end on June 30, 2020 rather than to coincide with JPA in December 2020.

Discussion followed regarding what will replace commission, Campus Master Plan (CMP) and President Virjee's meeting with the Friends. At this time it is unknown if the Arboretum will continue to have a governing body. It will be fully integrated with Extension and International Programs and will function as a department of EIP. President Virjee met with the Friends' and shared that the CMP will not touch the Arboretum footprint but has allowed for new replacement buildings to be added. President Virjee stated that he was glad the Arboretum was "coming home."

Colwell stated that the Friends' will continue to be a community of support for the Arboretum.

Chaffee stated that the County has some money for the Arboretum and is happy to support the Arboretum with marketing.

5. Friends Report – Colwell

Colwell said since the last Commission meeting on March 13, the Friends have helped host:

The annual Green Scene event on April 6-7. We had a new format this year (most of the booths were set up in the parking lot and pavilion) so there was significantly less wear-and-tear on the lawn and in the collections. Visitors strolled through and enjoyed the garden after making their purchases. Feedback was mostly positive.

Steward of Place was April 23 in the pavilion classrooms. CSUF students presented their projects and explained the research they have been conducting in the Arboretum. The Walkington and Maag scholarships (\$1,500 each) were awarded to deserving students.

The Victorian Tea was May 5. This event was put on by the Victorian Society from our Heritage House and it sold out again this year.

The Summer Solstice Party in the Garden was successfully held on June 15 with an attendance of 240 people. Net revenue this year was up by more than \$6,000 to \$26,847.

Blues and Brews was held August 17. Attendance was down this year by several hundred guests to 654, and net revenue declined to \$21,000 (\$23,439 in 2018).

The annual California Native Plant Sale is scheduled for November 2-3 and Cactus and Succulent Sale December 7-8. In addition, another Dia de los Muertos event may be held around Halloween and a Holiday Luminaria Stroll on December 13-14.

The Museum will re-open on October 13 with a reception to kick-off the Fullerton Arboretum 40th Anniversary exhibit as curated by CSUF students and faculty. New lighting has been installed. An Anniversary Reception and Golden Oak Award presentation is now being planned for Spring, 2020.

Officers were elected at the June 27 board meeting. Fran Colwell is the new President, Kathie Kingett Past President, Steve Eldredge Vice President of Finance, Marti Landry Treasurer, and Kathy Pacaud Secretary.

OTHER BUSINESS

ADJOURNMENT

Saks adjourned the meeting at 4:23 p.m.

The next Commission meeting will be held Wednesday, December 11, 2019

Lucinda Williams, Fullerton City Clerk and
Secretary for the Fullerton Arboretum Commission

By Marta McDaniel

Marta McDaniel, Administrative Analyst and
Recording Secretary for the Fullerton Arboretum Commission

Exhibit A: Financial Audit for FY 2018-2019

Exhibit B: Letter Communication With Those Charged With Governance

Exhibit C: Letter Communication of No Material Weakness

Exhibit D: Letter of Management

Exhibit E: 2020 Fund Transfer

Exhibit F: JPA Completion Timeline June 14, 2019