

**BOARD MEETING
FRIENDS OF THE ELEPHANT SEAL
August 20, 2014**

Present: Bette Bardeen, Dave Bauer, Peter Frith, Bill Goodger, Kathy Hurrele, Brandt Kehoe, Donovan Marley, Tim Postiff, Polly Tatton.

Guests Present: Marcella Boteilho, Michelle Roest, Ellen Stoner.

Dave called the meeting to order at 1 pm.

Motion was made, seconded, and passed to approve the minutes of the July 16 Meeting.

Motion was made, seconded, and passed to reelect Kathy Hurrele to her second term on the board.

PRESIDENT'S REPORT: Dave indicated that he will be coming to the office early and late on a regular basis so that he can meet all of the docents before or after their shifts. He mentioned that attendance was very good at Joan's memorial and at the National Light House Day.

OFFICE REPORT: Marcella indicated that the food for the docent event of August 16th cost about \$1,270, plus wine. We learned some about catering and it probably will not cost as much next time. She ordered Quick Books Pro 2014 and a new computer. Marcella hired a new CPA. The fall issue of the SLO County Visitor's Guide has an article about the elephant seals.

TRAINING REPORT: Bette indicated that the deadline for applications is September 1. There are 11 people enrolled in the fall training and one more to be interviewed. The training committee has invited folks from other area groups: the Discovery Center, Morro Bay Museum, Camp Keep, and the PB Light Station. Brandt suggested inviting Kathe Tanner who writes for the Cambrian.

TREASURER'S REPORT

Profit and loss statement: Bill indicated that we are still running behind budget on income, but have the savings to cover any shortfall for the year.

Financial Committee report: Bill introduced two resolutions requested by the Finance Committee. They are attached as Addendum 1. A motion to accept resolution #1 was made, seconded, discussed, and passed. A motion to accept resolution #2 was made, seconded, and passed.

CD status report from the Finance Committee was handed out.

Fall Internship report: Craig Brown has been helpful to both FES and TMMC during his spring and summer internships. He has been awarded the fall internship to continue assisting in the census counts, writing a paper for the FES research committee, and assisting Tim with the library research.

Endowment report: the endowment funds have earned 10% so far this year, and 13% since inception a little over one year ago.

Fence project report: Lisa Remington did a very good job vetting the project; there are 60 days left in the period required for Caltrans review of the encroachment permit.

SCHOOL GROUP REPORT: Kathy indicated that for one year Gwen Watkins will take over scheduling school groups and docents for school groups. Brandt is fixing the on-line form. Judy Thompson will still be in charge of the actual visits.

GUESTS: Michele indicated that we were not awarded the grant applied for last month. Generally, one grant in five requests is good return. She handed out a list of other grants that we can apply for. A motion to authorize Michele to apply for the grants was made, seconded, discussed and passed. Michele will provide a timeline and a 'not to exceed' amount for applying for these grants.

MEMBERSHIP

Membership report: Donations through August 18 are \$40,924, which meets the 2014 membership income budget. This is \$11,273 under the 2013 donations. Memberships to date are 466, which is 119 under the 2013 total. We should meet or surpass 2013 income and membership totals by December 31. However, about \$5,000 will be donated in 2014 for 2015 memberships. Marcella will book the donations on the date received in 2014. Membership will book the donations on January 1, 2015 to reflect the intent of the donor. Expenses will be about \$5,000 under budget, as we no longer print an acquisition brochure. Acquisitions are increasing since the larger display has been installed on the north end. Donovan suggested that when the large display is installed on the south end, a third installation should be made on the south end of the kiosk. He believes that it will increase tube donations and membership acquisitions.

Piedras Blancas National Monument: Donovan mentioned that this designation is awarded by either the President or Congress, and is normally only for federally held land; only 19 of the 444 acres in the PB Outstanding Natural Area are federally owned, the rest is state owned. He will look into whether or not it is even possible to receive this designation before pursuing it further; there are a few instances where the designation was given to areas of mixed ownership. There was discussion of the advantages and disadvantages of the designation.

Rookery trash removal: Ray Hopkins will probably 'retire' from weekly trash pickup at the end of this year. FES should throw him a BIG thank you party. Someone will talk to CA State Parks about FES funding someone in a state vehicle picking up trash at the vista points several times a week. They do not have the funding to do that, but if the bill is paid by FES, they may be willing to do so. Michele offered to talk to Nick Franco to see if it is at least possible.

DOCENT COORDINATOR REPORT: It was mentioned that the docent event on August 16th went well. The November docent event will be Richard Condit talking about elephant seal populations. He was one of the people on the survivorship study.

OLD BUSINESS: discussed elsewhere.

NEW BUSINESS:

Tim indicated that State Parks fixed the entryway at the north gate, and Lisa's follow-up on it is appreciated.

Michelle questioned why FES has docent events at the Vet's Hall instead of at the Cavalier.

Memorial gifts: Donovan mentioned that there have been requests for a memorial bench or something similar for a woman who died recently, which we know State Parks does not allow. The issue of memorials was discussed and the consensus was to put something in the member newsletters and to suggest that money be donated toward particular projects like school visits or coastal trail.

School visits: Kathy indicated that a school that FES offered to sponsor for a student visit last year finally responded this summer requesting sponsorship for this year since they did not come last year. After discussion, the board agreed to fund six instead of five schools this year so that this one can be included.

Dave adjourned the meeting at 2:45 pm.

Respectfully submitted,
Ellen Stoner, FES Docent Coordinator

Addendum 1

Report from the Finance Committee, Friends of the Elephant Seal (R3)

The Finance Committee met on 23 July 2014 to discuss investment alternatives for the funds currently held in passbook savings and CD's. In attendance were Bill Johnson, Chair, Sharkey Warrick, Donovan Marley and Jim Devine. Bill Goodger, FES Treasurer was absent due to illness. We discussed various alternatives and concurred that the excess funds ought to be invested in conservative, prudent securities that would offer a modest return which would exceed that available from passbook and CD (nearly 0%). We discussed the possibilities of a correction in the market that is widely expected and hope to take advantage of that correction, if it occurs, by gradually introducing our investment into the market over time.

After extensive discussion, the Committee agreed to submit the following resolutions to the FES Board for their review and concurrence:

Resolution 1: Whereas the surplus funds in the savings and money market funds are currently earning virtually nothing, falling behind the rate of inflation, and;
Whereas prudent investment alternatives exist which provide conservative returns with modest risk:

Resolved that the Finance Committee be authorized to move a total of \$40,000 from the current savings into a Mutual Balanced Fund which invests in both blue chip equities and bonds. It is recommended that the Committee select funds with low expense ratios and employ dollar cost averaging to move the money into the market. Liquidity is essential so the fund chosen must provide for withdrawals whenever that is desired. Such investment shall be monitored by the Finance Committee and arrangements shall be made to provide two signatures for any transaction in this investment, as such signatures be from the current President and Treasurer of the Corporation. The Finance Committee shall report quarterly to the Board on the status of this investment.

Resolution 2: Whereas the management reserve funds currently residing in Certificates of Deposit, currently totally in excess of \$50,000, are earning virtually nothing, falling behind the rate of inflation, and;

Whereas investment alternatives such as bond mutual funds exist which provide modest returns, minimal risk, with low expense ratios, and;

Whereas our current reserve fund is intended to be a "rainy day" fund to provide operating funds in a emergency and need to be accessible when and if needed:

Resolved that the Finance Committee be authorized to initiate investment in a prudent bond fund with the principal and earnings from the current Certificates of Deposit as they mature. This reserve fund investment shall be kept separated from the investment of the surplus funds in Resolution 1. Such investment shall be monitored by the Finance Committee and arrangements shall be made to provide two signatures for any transaction in this investment, such signatures be from the current President and Treasurer of the Corporation. The Finance Committee shall report quarterly to the Board on the status of this investment.

If these resolutions are approved by the Board, the Investment Committee has decided to invest \$10,000 initially in the Vanguard Balanced (60/40) Index Fund, VBIAX, and the other \$30,000 in a

Vanguard Money Market fund so that it is readily available to transfer to the index fund when we feel the time is right.

We intend to invest the principal and earnings from maturing CD's in an intermediate or short term bond fund and move the money into the selected fund as the CD's mature.