

**Presidio Trust Board of Directors Meeting
November 13, 2019
Minutes**

Attending Board Members:

Lynne Benioff
Bill Grayson
Marie Hurabiell
John Kecker
Carole McNeil

Participating Staff Members

Michael Boland
Carla Carvalho-DeGraff
Jean S. Fraser
Sal Genito
Mollie Matull
Rich Rusnack
George Schell
Sherri Schilling
Diana Simmons

Chairman Bill Grayson called the Board meeting to order at 3:03 p.m.

Chairman Grayson opened the meeting by welcoming everyone including the Trust's newly-appointed Board member Carole McNeil.

Farewell to Paula Collins

Chairman Grayson also welcomed past Presidio Trust Board Director Paula Collins to the meeting for the purpose of thanking and recognizing Ms. Collins for her years of service as a Director and Board Chair for the Presidio Trust. CEO Jean Fraser then provided her thanks and recognition followed by Directors Kecker, Benioff, Hurabiell and McNeil. Ms. Collins was presented a token of the Trust's appreciation in the form of a wooden plaque made by the Presidio Trust sign shop out of wood from the Presidio.

Swearing In of Carol McNeil

Ms. Collins officiated at the swearing in of Carole McNeil. After the swearing in ceremony was completed, Ms. Collins left the meeting.

Approval of Fiscal Year 2019 Audited Financial Statements

Chief Financial Officer Carla Carvahlo-DeGraff presented the fiscal year 2019 financial. She reported that the Trust had a strong performance in fiscal year 2019 and net operating income was above expectations. Ms. Carvahlo-DeGraff also reviewed capital project funding for multi-year projects.

Ms. Carvalho-DeGraff then presented the fiscal year 2019 audited financial statements. The results of the audit were presented with a clean opinion, but a significant deficiency was

identified in internal controls. Ms. Carvalho-DeGraff explained that during her review she discovered the straight-line rent schedule had errors in it. This led the Trust to implement additional controls with our third-party provider, Riverrock. Chief Business Officer Rich Rusnack provided details about the Trust's plan to address this issue.

Ms. Carvalho-DeGraff then discussed a second issue she identified, which was an error in the Accounts Payable accrual. She explained that the team accrued the correct liability but booked the entry to expense instead of as construction in progress. Ms. Carvalho-DeGraff stated that, going forward, our accounting documents will include clear instructions for reviewing entries.

Closed Session With The Auditors

After the Trust's auditors, KPMG and Grant Thornton, called into the Trust conference line, Trust staff left the room and KPMG, Grant Thornton and the Board had a discussion with KPMG and Grant Thornton. At the conclusion of the closed session Trust staff re-entered the room and Board Chair Grayson requested a motion to approve the FY19 Audited Financial Statements. Upon a motion duly made and seconded, the Board unanimously approved the FY19 Audited Financial Statements.

Committee Reports

Governance Committee Chair Benioff delivered the Governance Committee report wherein she reported on the Committee's discussions regarding recommended revisions to the Trust Personnel Policy, By-Laws and the Board Orientation Policy. Chairman Grayson delivered the Finance and Audit Committee report and informed the Board of the detailed review the Committee conducted with Trust staff regarding the FY19 financials.

Actions taken:

Approval of Consent Items

Chairman Grayson directed the Board in a discussion of all the approval items in the Consent section. This discussion yielded a suggested revision to the Severance Pay section of the Presidio Trust Personnel Policy and the Board agreed to incorporate that revision into a motion to approve the Consent items. Upon a motion duly made and seconded, the Board unanimously approved (inclusive of the requested revision) the Consent Items.

There were no questions from the Board regarding the informational items.

CEO Report

CEO Fraser started her report by thanking everyone who attended the successful Tunnel Tops "Groundmaking" event. Ms. Fraser also reminded the Board that the Transit Café is closed. Ms. Fraser will be sending out invitations for more opportunities for board members to engage

with staff members including the Trust's upcoming holiday party. Ms. Fraser also noted the calendar of Board meetings in 2020 including a change in moving the November Board meeting from 11/13 to 11/17.

Approval of Appointment of Carole McNeil to One or More Committees

Chairman Grayson informed the Board that he and Director McNeil had discussed her joining the Finance & Audit Committee and that she agreed to do so.

Upon a motion duly made and seconded, a motion to appoint Director McNeil to the Finance & Audit Committee was unanimously approved.

Update on Dealing with Illegal Encampments

Chief of Land & Building Stewardship Sal Genito delivered a report outlining the basic police and security tactics that Trust staff, the U.S. Park Police and U.S. Park Rangers have used to successfully manage illegal encampments in the Presidio.

Update on the U. S. Park Police Relationship

Mr. Genito also delivered a report to the Board on several past, current and future efforts by Trust staff and the US Park Police to manage and improve law enforcement services in the Presidio. General Counsel George Schell also provided an update on the status of the Fraternal Order of Police complaint.

Attorney Client Privileged Briefing

General Counsel George Schell led the Board and Trust Staff in a privileged briefing.

Discussion with Chris Lehnertz

The Board received a presentation from Chris Lehnertz, CEO of the Golden Gate National Parks Conservancy, regarding the Conservancy's FY20 plans. Ms. Lehnertz's presentation spoke to the founding of the Conservancy in 1981 and the many years of welcoming of volunteers, developing great park visitor programs and preserving, enhancing and building sustainable parklands in the GGNRA. Both Ms. Lehnertz and Ms. Fraser made statements about the great collaborative partnership between the Conservancy, the Presidio Trust and the National Park Service. Ms. Fraser commented that it is the vision and efforts of the Conservancy that has made the Presidio a park.

Preview of Next Board Meeting

Ms. Fraser and the Board reviewed the upcoming Board and Committee schedule.

Executive Session

The Board met in Executive Session to discuss the annual CEO evaluation.

Chairman Grayson adjourned the meeting at 6:30 p.m.