



ALBUQUERQUE
COMMUNITY
FOUNDATION

Board of Trustees Meeting Minutes
2021 Quarter Four Meeting
Tuesday, December 7, 2021
11:00am-1:30pm
Champion Building || ZOOM

TRUSTEES PRESENT:

Steve Maestas, *Chair*
Beverly Bendicksen, *Chair-Elect & Treasurer*
Marcus Mims, *Secretary*
Bill Lang*, *Past Chair*
Abinash Achrekar*
Emily Allen*
Tom Antram*
Patrick Apodaca*
Bob Bowman
Arellana Cordero
Michelle Dearholt
Anna Doss
Sanjay Engineer*
Debbie Harms
Rebecca Harrington
Pam Hurd-Knief*
Debbie Johnson
Ken Leach*
Linda Parker
Anne Sapon
Charlotte Schoenmann*
José Viramontes

**these Trustees were present over Zoom*

TRUSTEES ABSENT:

Tom Daulton
Paul DiPaola
Walter Stern

STAFF PRESENT:

Randy Royster, *President & CEO*
Jeff Carr, *Accountant & HR Professional*
Dominic Garcia, *Scholarship & Grants Associate*
Khia Griffis, *Senior Community Impact Program Officer*
Kate Leung, *Governance & Philanthropic Advising Associate*
Marisa Magallanez, *VP of Strategy & Equity*
Juaquin Moya, *VP of Philanthropic Advising*
Sandy Mwei, *Donor Relations & Systems Manager*
Denise Nava Wyrick, *Senior Communications Manager*
Tiffany Rawls, *Senior Accountant*
Karen Schoepke, *Director of First Impressions*
Letisha Spencer, *Grants Associate*
Nick Williams, *Chief Financial Officer*

GUESTS PRESENT:

Ann Rhoades, *Endowment Growth Consultant*

MINUTES

I. Call to Order & Consent Agenda

Mr. Maestas called the meeting to order at 11:03 a.m.

Mr. Maestas thanked Trustees and staff for their work during the year, given the unusual circumstances of the pandemic. He acknowledged that he is ending his term as Chair of the Board and thanked Mr. Royster for his leadership.

Minutes, Committee Reports, and other materials were distributed to Trustees prior to the meeting.

The December 7, 2021 Consent Agenda included the following items:

1. September 28, 2021 Board Meeting Minutes
2. Financial Statements Ending 9.30.21
3. Budget to Actual 9.30.21
4. Investment Quarterly Update
5. Approval of Grants
6. Approval of Scholarships

Upon motion by Ms. Johnson and second by Ms. Harms, the consent agenda was unanimously approved with no further discussion.

Mr. Royster introduced a gift to acknowledge the Trustees for their work and to express the Foundation's gratitude.

II. Endowment Growth Strategy & Introduction of Ms. Ann Rhoades

Mr. Royster thanked Ms. Rhoades for her time and spoke on her esteemed accomplishments. She has agreed to be a Consultant to the Foundation for the Endowment Growth Strategy.

Ms. Rhoades summarized previous discussion about setting the benchmark for Endowment Growth. She and the Executive Committee have explored various possibilities for accomplishing the goal. She outlined four areas of recommendations: Trustee Participation, Donor Engagement, Community Outreach, and BHAG (Big, Harry, Audacious Goals).

Ms. Rhoades asked all of the Trustees to consider introducing the Foundation to their professional advisors, attorneys, and estate planners. She shared positive results from her own exploration of such a connection. Mr. Royster suggested that the Trustees arrange and facilitate a meeting between their contacts and a member of the Foundation staff. He clarified that no one will need to make an "ask" of their advisor, but he hopes that they will be willing to speak on their own passion for the Foundation. Ms. Rhoades encouraged Trustees to make these connections without delay. Mr. Royster added that the Foundation will also benefit from any connections with family, friends, or other community members who are philanthropically inclined.

Ms. Rhoades appealed to the Trustees and encouraged them to be active in working with the Foundation. She noted that their direct engagement will make their service on the Board more enjoyable.

Ms. Rhoades suggested that the Foundation create more materials about the impact of grantmaking. She noted that the Foundation is planning Lunch & Learn events to share philanthropic education and speak with donors. She shared an anecdote about her experience with helping a community member and observed that seeing the impact of her actions was important to her. She donors are interested in seeing the impact of their donation.

Mr. Royster shared discussion about additional types of funds the Foundation could offer to nonprofits. The Foundation could offer non-endowed funds to non-profits, allowing non-profits to have their assets invested, thereby bringing more resources under the management of the endowment. In the past, the Foundation has hesitated to enter into this service so as to avoid competition with banks. Mr. Royster opined that the Foundation's relationship with banks has changed in a way that he believes the Foundation could now comfortably offer financial management services. He spoke about the possibility of donors who might want to support the Foundation but want more control over which investments are used. The Foundation can explore multiple investment options to appeal to a wider group of donors.

Ms. Rhoades spoke about the Foundation's giving circles, which facilitate Community Outreach. Mr. Royster added that he recently has seen interest in a business-focused giving circle. He and Ms. Rhoades spoke on the various possibilities that giving circles provide for collective impact and socially connected groups. They detailed a fund that the Foundation currently manages, which distributes emergency relief grants to employees of a large corporation.

Ms. Rhoades highlighted other recommendations, including adopting a Title 1 school to make a meaningful impact in the community centered on education.

Mr. Maestas expressed his support for the plan and for measurable outcomes. He expressed his opinion that the education system in Albuquerque is a fundamental underpinning of community improvement.

Mr. Lang also shared his support and the support of various large media groups in the city for an education-focused initiative.

Ms. Doss suggested that the Foundation focus on a multiple year initiative and continue support beyond the short-term, in order to effect permanent change. Ms. Cordero suggested connections to make these programs happen.

Ms. Hurd-Knief commented on the Endowment Growth Strategy, saying that this initiative needs to be an all-staff and all-Board effort. She encouraged Trustees to lean in and take ownership of the project.

Mr. Royster noted that the Foundation's Executive Team consists of himself, Mr. Williams, Ms. Magallanez, and Mr. Moya. The Management Team also includes Ms. Griffis and Ms. Nava Wyrick. He asked Trustees to share any ideas or action items with these individuals.

III. **Trustee & Staff Recognition**

Mr. Royster acknowledged Ms. Hurd-Knief and Ms. Nava Wyrick, who led the 40th Anniversary efforts during the calendar year. He noted that each goal set for the year was met and exceeded. He touched on some of the successful initiatives, including the 40th Grantiversary, the Julie Weak's Gutiérrez Opportunity Fund, and the Joint Grant with the Santa Fe Community Foundation.

Ms. Nava Wyrick shared updates on the Public Art Piece, which will be installed at the Indian Pueblo Cultural Center ("IPCC"). The selection committee, which included Ms. Nava Wyrick and Ms. Schoenmann, selected an artist known as "Greysheoes", who has proposed an installation called *Pueblo Matriarch* for the roundabout on 12th Street. The piece will be finished by April 2022.

Mr. Royster acknowledged the Trustees who are retiring from the Board: Mr. Apodaca, Ms. Doss, Ms. Johnson, and Mr. Lang. He spoke about each Trustee's service and thanked them for their extensive commitments to the Foundation.

IV. **Finance Update**

Ms. Bendicksen introduced the report on the Foundation's 990, which has been reviewed and prepared by the Finance Committee. She pointed out some sections of the 990 Report with critical information and asked Trustees to seek a comfortable understanding of those sections. She pointed out the areas that elaborate on revenue, expenses, assets, and liabilities (which mostly consist of resources held for other organizations).

Ms. Bendicksen noted that the 990 Report indicates an impressive degree of financial strength for the organization.

Mr. Viramontes inquired about one of the line items in the report. Ms. Bendicksen clarified that some of the investments that the Foundation uses create a particular type of taxable income. The section indicates the way that the investments are structured to make the tax implications of that income more easily managed. She specified that these calculations are taken care of by the Foundation's investment consultants.

Ms. Bendicksen shared the overall financial report for the Foundation. She noted that the Foundation has had another great financial year. The organization has surpassed the budgeted revenue by \$400,000, which is partly due to a very conservative estimate of the management fee revenue. She shared that the Finance Committee has agreed to change the budget calculation for management fees in an effort to create a more realistic budget.

Ms. Bendicksen noted areas where the Foundation undercut the projected spending budget, due in part to lack of events and programming during the pandemic.

Mr. Williams spoke about the management fee. In the past, this has been estimated based on the average of the last four quarters, reduced by 5% in order to estimate conservatively. He noted that the Finance Committee does eventually expect an economic downturn, which will impact both the endowment and the management fees.

Mr. Williams reviewed the 2022 proposed budget. He pointed out that the year's budget is projecting a similar revenue to 2021, although the management fee calculation has been corrected. On the expense side, the 40th Anniversary will be removed from the equation. Simultaneously, the Foundation will spend more on salary and benefits due to increased staff size.

Mr. Bowman asked if the 2022 proposed budget includes a projection for endowment growth. Mr. Williams responded that, in order to estimate conservatively, the budget includes expenses for endowment growth but revenue does not rely on any sort of substantial endowment growth. Mr. Royster and Mr. Williams noted that they expect there to be a positive return on the 2022 budget, especially if the market return remains high.

Ms. Dearholt confirmed that New Mexico Community Trust ("NMCT") is included in the budget for revenue associated with Foundation staff on NMCT projects and therefore only partially included in the budget projects. She also clarified that the Foundation has a rigorous salary and benefits review that ensures staff receive competitive compensation, which is especially important in the context of the current employment market struggles with recruitment and retention. Mr. Williams noted that the Foundation is working with a benefits consultant and a human resources consultant to review organization operation.

Upon motion by the Finance Committee, the motion to approve the 2022 Budget as presented was unanimously approved.

V. Executive

Trustees went into Executive Session to discuss the proposed 2022 Goals, 2021 bonus pool, and other matters.

VI. Governance

The Governance Committee moved the Board to accept the 2022 Officer Slate as presented, Chair Elect – Marcus Mims, Treasurer – Marcus Mims, Secretary – José Viramontes, unanimously approved.

Mr. Viramontes introduced the proposed slate of new Trustees: Sara Traub, an estate attorney at Pregoner, Baysinger, Wideman & Sale; Becky Teague, a representative of and executive at PNM; Esther Villas Wingfield, an insurance agent who will fill the Junior League seat; and Lori Waldon, an executive at KOAT. Mr. Royster spoke highly of the skills and experience that these four individuals will bring to the Board.

Upon motion by the Governance Committee, the motion to approve Ms. Sara Traub, Ms. Becky Teague, Ms. Esther Villas Wingfield, and Ms. Lori Waldon to serve on the Foundation's Board of Trustees was unanimously approved.

Upon motion by the Governance Committee, the motion to approve the Variance Power request for the Rich Diller Memorial Fund was unanimously approved.

Upon motion by the Governance Committee, the motion to approve the Variance Power request for the WildEarth Guardians Fund to be moved from the Foundation to the Santa Fe Community Foundation was unanimously approved.

VII. Other Business and Adjournment

Mr. Royster spoke about all the experience, knowledge, and benefits that Mr. Maestas has brought as Chair of the Board. He thanked Mr. Maestas for lending his time and expertise during 2021.

Mr. Royster also acknowledged the four retiring Trustees and noted that in recognition of their service, the Foundation will make a contribution to an endowment fund of their choice.

Mr. Maestas congratulated and acknowledged Ms. Bendicksen, the incoming 2022 Chair of the Board.

The meeting was adjourned at 1:20pm.

Marcus Mims, Secretary

Date