



ALBUQUERQUE
COMMUNITY
FOUNDATION

Board of Trustees Meeting Minutes
2022 Quarter Four Meeting
Tuesday, December 13, 2022
11:15am-1:25pm
Zoom | ACF Conference Room

TRUSTEES PRESENT:

Beverly Bendicksen, *Chair*
Marcus Mims, *Chair-Elect & Treasurer*
Steve Maestas, *Past Chair*
José Viramontes, *Secretary*
Abinash Achrekar
Emily Allen
Tom Antram
Bob Bowman
Arellana Cordero
Michelle Dearholt
Sanjay Engineer
Debbie Harms
Rebecca Harrington
Pam Hurd-Knief
Ken Leach
Paul Mondragón
Anne Sapon (virtual)
Charlotte Schoenmann
Walter Stern
Becky Teague
Sara Traub
Esther Villas-Wingfield

TRUSTEES ABSENT:

Tom Daulton
Linda Parker
Lori Waldon

STAFF PRESENT:

Randy Royster, *President & CEO*
Nick Williams, *Chief Financial Officer*
Marisa Magallanez, *VP of Strategy & Equity*
Juaquin Moya, *VP of Philanthropic Advising*
Jeff Carr, *Finance & HR Senior Associate*
Denise Nava Wyrick, *Marketing & Communications Director*
Khia Griffis, *Community Impact Director*
Karen Schoepke, *Senior Administrative Associate*
Kate Leung, *Donor Development Senior Associate*
Tiffany Rawls, *Finance Director*
Letisha Spencer, *Grants Associate*
Clarissa Earl, *Communications & Events Associate*
Dominic Garcia, *Scholarship & Grants Associate*
Danielle Griego, *Governance Associate*
Germaine Mitchell, *Housing Stability Project Manager*
Remi Ward, *Donor Relations Senior Associate*

GUESTS PRESENT:

I. Call to Order, Welcome, Consent Agenda & Committee Updates (Action)

Ms. Bendicksen called the meeting to order at 11:17 a.m.

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

The December 13, 2022 Consent Agenda included the following items:

- September 27, 2022 Meeting Minutes
- Financial Statements as of September 30, 2022
- Budget to Actual as of September 30, 2022
- Investment Quarterly Update as of September 30, 2022
- Approval of Grants
- Finance Committee & Audit & Risk Management Committee Charter Revisions
- Governance Committee Charter Revision
- Impact Investment Policy

Ms. Bendicksen encouraged the Board to review Committee Update Reports available in their packet. No other discussion was noted.

On motion by Mr. Stern and second by Ms. Schoenmann, the Consent Agenda was unanimously approved with no further discussion.

II. Executive Session (Information, Discussion, Action)

The Board entered Executive Session to discuss the bonus pool and Mr. Royster's compensation package. Staff left the conference room.

Executive session ended at 12:03 p.m. Staff rejoined the meeting.

III. Trustee & Staff Recognition (Information)

Mr. Royster recognized Ms. Michelle Dearholt, Ms. Emily Allen, and Ms. Pam Hurd-Knief for their recent accolades.

Mr. Moya congratulated Ms. Hurd-Knief on her retirement from the Social Giving Club (SGC) Leadership Team.

Mr. Royster recognized new staff, outgoing staff, and Ms. Griffis who recently sat on a Groundworks New Mexico panel discussing Trust-Based Philanthropy.

Mr. Royster recognized retiring Trustees: Mr. Steve Maestas and Mr. Ken Leach. Mr. Royster thanked Mr. Maestas and Mr. Leach for their time and talent while serving on the Board.

Mr. Royster thanked Ms. Bendicksen for serving as the 2022 Board Chair.

IV. Finance Committee (Information, Discussion, Action)

Ms. Bendicksen moved to speak about the Foundation's 2021 Form 990. She reminded the Board the Finance Committee approved the Foundation's Form 990 at their last committee meeting and the document has been filed.

Ms. Bendicksen noted that the Foundation's 990 will be accessible to the public on the Foundation's website.

Ms. Bendicksen recapped key pages and information for the Board. The first two pages reviewed the Foundation's financial overview and what the organization does in terms of programs. Ms. Bendicksen highlighted the \$9.4 million in new contributions to the

endowment, \$15 million in realized investment gains, and \$148 million in assets due to investment gains. Ms. Bendicksen stated the Foundation is in an extremely strong financial position.

Ms. Bendicksen noted that the Foundation's organizational mission and types of grants the organization makes can be found on Page 2. The Foundation's Governance, Management, and Disclosure information can be found on Page 6. The compensation of Trustees and highest compensated employees can be found on Page 7-8.

Ms. Bendicksen reviewed Schedule D of the 990 with the Board. She shared that Schedule D provides an overview of the Foundation's endowment, including the percentage of endowment that is made up of donor advised funds (DAFs).

Ms. Bendicksen informed the Board that the Foundation filed a 990T for 2021 and paid approximately \$37,000 in income taxes due to large return from one of the Foundation's investments.

Mr. Williams moved to review the 2023 Proposed Budget. He stated that staff are projecting the Foundation to end 2022 with a net revenue of \$384,433.

Mr. Williams shared with the Board that staff are expecting a significant revenue bump from the New Mexico Community Trust (NMCT) in both 2022 and 2023.

Mr. Williams also informed the Board that new donations have offset market losses for the year.

Mr. Williams highlighted the increased budget for Great Grant Giveaway (GGG), as the event will be celebrating its 10th anniversary in 2023. Mr. Williams also noted the increase in Salary & Fringe Benefits line item. He informed the Board that the Foundation is anticipating new employees in the coming year as well as providing competitive salaries and a cost-of-living increase for all staff.

Ms. Schoenmann asked if the increase in Salaries & Fringe Benefits will be covered by the increased revenue from NMCT. Mr. Williams answered in the affirmative.

Mr. Williams reminded the Board that the Foundation has a 60-65% reserve operating budget. Mr. Royster stated that Council on Foundations recommendation for a reserve operation budget is 50% of the organization's operating budget.

On motion by the Finance Committee, the motion to approve the 2023 Proposed Budget as presented was unanimously approved.

V. Governance Committee (*Information, Discussion, Action*)

Ms. Harrington presented the Board with Ms. Anne Sapon's Trustee Renewal for a third term.

On motion by the Governance Committee and second by Mr. Mims, the motion to approve the Trustee Renewal as presented was unanimously approved.

Ms. Harrington moved to present Ms. Monique Fragua as a new Trustee to the Board.

Mr. Royster informed the Board that Ms. Fragua is the Chief Operating Officer of the Indian Pueblo Cultural Center (IPCC) and a member of Jemez Pueblo.

Mr. Royster also stated that Ms. Fragua would join the Board effective January 1, 2023, if approved.

On motion by the Governance Committee and second by Ms. Schoenmann, the motion to approve Ms. Monique Fragua as a new Trustee to the Foundation Board, effective January 1, 2023, was unanimously approved.

Ms. Harrington moved to review the proposed 2023 Officer Slate for the Board of Trustees, including Mr. Marcus Mims as the 2023 Board Chair, Mr. José Viramontes as Chair-Elect, Ms. Beverly Bendicksen as the Immediate Past Chair, Ms. Arellana Cordero as Treasurer, and Ms. Debbie Harms serving as the Board Secretary.

On motion by the Governance Committee and second by Mr. Antram, the motion to approve the 2023 Officer Slate as presented was unanimously approved.

Ms. Harrington moved to review the de Profundis Organization Endowment Fund Variance Power memo.

Ms. Harrington informed the Board that the Governance Committee unanimously moves the Board of Trustees to use its variance power to approve the requests to alter the name of the de Profundis Organizational Endowment Fund, and to use distributions from the fund to support singing programs, with an emphasis on programs for school-aged children where possible.

On motion by the Governance Committee and second by Mr. Antram, the motion to approve the Board of Trustees to use its variance power to approve the requests to alter the name of the de Profundis Organizational Endowment Fund, and to use distributions from the fund to support singing programs, with an emphasis on programs for school-aged children where possible was unanimously approved.

Ms. Harrington reviewed the Friends of Music Organizational Endowment Fund Variance Power memo with the Board.

Ms. Harrington informed the Board that the Governance Committee unanimously moves the Board of Trustees to use its variance power to approve the request to use distributions from the Friends of Music Fund to support musical efforts in the four-county area served by the Foundation.

On motion by the Governance Committee and second by Ms. Harms, the motion to approve the Board of Trustees to use its variance power to approve the request to use distributions from the Friends of Music Fund to support musical efforts in the four-county area served by the Foundation was unanimously approved.

Ms. Harrington summarized the Heights Healthcare Foundation Fund for Osteopathic Education Designated Organizational Endowment Fund Variance Power memo with the Board.

Ms. Harrington informed the Board that the Governance Committee unanimously moves the Board of Trustees to use its variance power to release the Fund to the Southwest

Foundation for Osteopathic Education and Research (SWFOER), a 501(c)(3) nonprofit, for its permanently endowed scholarship fund.

On motion by the Governance Committee and seconded by Ms. Hurd-Knief, the motion to approve the Board of Trustees to use its variance power to approve the request to release the Fund to SWFOER, a 501(c)(3) nonprofit, for its permanently endowed scholarship fund was unanimously approved.

VI. Strategic Plan (Information, Discussion, Action)

Ms. Magallanez moved to review the Strategic Plan with the Board. She noted that the Strategic Plan is still for an internal Foundation audience and what components are shared with the broader community will be a 2023 action item for the staff and Board.

Ms. Magallanez informed the Board that staff updated the order of sections within the Strategic Plan for more flow and added additional dEi components. She also shared that quotes within the document have been positioned clearly as quotes. Lastly, due to feedback from the last Board meeting, evaluation and monitoring elements in the form of dashboard templates have been added.

Ms. Magallanez highlighted the updated Vision Statement in Strategic Plan, referencing the memo in the Board packet which shared staff insights and thought process while crafting the Vision Statement.

Ms. Magallanez stated that staff felt the Vision Statement needed to be less about the Foundation and more about the impact in the community that the Foundation is trying to shape and operate in.

Ms. Magallanez also shared that with both the Values and Vision Statement, the Foundation's commitment to diversity, equity, and inclusion is clear.

Ms. Magallanez moved to review the Strategic Plan Goals Dashboards with the Board, including key benchmarks for Community Impact, Community Leadership, and Endowment Growth.

Ms. Magallanez noted that key benchmarks for Community Impact were met for 2022 including the completion of a Trust-Based Philanthropy workshop, a Grantee Feedback Survey, and updates to the 2023 grant application.

Additionally for Community Impact, Ms. Magallanez informed the Board that more time is needed to determine year-to-year growth targets for the Trust-Based Philanthropy Indicators.

Ms. Magallanez briefed the Board on key benchmarks for Endowment Growth, noting there is great progress in all key performance indicator (KPIs). Ms. Magallanez highlighted the Contributed Income - % of Budget KPI, stating that the Foundation's goal is to move all contributed income to 0%. Mr. Williams informed the Board that this would mean that all operating revenue would be funded by the endowment management and fee for service programs.

Ms. Magallanez moved to review key benchmarks for Community Leadership. She provided high level information to the Board, stating that staff need more time to understand how the

Foundation can best engage and report on the Community Leadership activities to the Board.

Ms. Magallanez stated that more time will be allocated for a deep dive into the Strategic Plan Goals Dashboards in the 2023 March Forum.

Ms. Bendicksen informed the Board that the Executive Committee did review the Strategic Plan prior to today's meeting. She shared the Executive Committee was impressed with the improved revisions.

Mr. Royster informed the Board that the Foundation will be hiring a new Community Impact Director who will oversee the Community Leadership activities.

Mr. Engineer asked what the time frame was for the goals. Mr. Royster informed the Board that the goals are set for a 2026 time frame.

On motion by the Mr. Stern and second by Ms. Dearholt, approval of the Strategic Plan as presented was unanimously approved.

VII. Impact Investment – Social Metrics Update (Information)

Mr. Stern moved to review the Impact Investment infographics with the Board. Mr. Stern encourage the Board to review the Impact Investment Committee Report in their packets.

Mr. Stern briefed the Board on the impetus for an Impact Investment Committee. He informed the Board that there are two types of investments the Committee engages in: equity investments and low interest loans. Mr. Stern stated that the equity investments are done through intermediaries.

Mr. Stern stated that the Impact Investment program has become the third leg of impact the Foundation has in the community, alongside grants and scholarships.

Mr. Stern highlighted several recent impact investments including loans to Tramway Ventures, La Siembra Leadership School, and two loans to Homewise for a community kitchen and an early education program in the Barelás neighborhood.

Mr. Stern stated that the Impact Investment report in the Board's packet is the first comprehensive and in-depth report on the social returns and impacts for the Foundation's Impact Investment program.

Mr. Stern informed the Board that is difficult to collect and report on the social returns and impacts due to multipliers of social returns.

Ms. Schoenmann asked if the Impact Investment Committee solicits investment opportunities. Mr. Stern stated that is an ongoing challenge and invited Board members to share ideas on soliciting applications to the Committee.

Mr. Viramontes asked if the Board or Impact Investment Committee should vote on increasing the Impact Investment funds available for use. Mr. Stern informed the Board that the size of the Impact Investment pool grows with the size of the Foundation's endowment.

Dr. Achrekar informed the Board that the Impact Investment Committee is moving toward looking at asset management. Mr. Mims noted that it would be helpful to evaluate if the investments were successful. He would like the Committee to complete a review of current investments.

Ms. Bendicksen shared with the Board that the Impact Investment program's financial return is reported quarterly by the Foundation's financial consultant, RVK. The report is available in the Board's packet.

VIII. Other Business, Closing Remarks & Adjournment

Ms. Bendicksen called for any additional business. No other business was noted.

Ms. Bendicksen thanked the Board and staff for their time and effort.

Mr. Stern, on behalf of the Board, thanked and congratulated Ms. Bendicksen for her work as Board Chair.

The meeting was adjourned at 1:31 p.m.

José Viramontes, Secretary

Date