



ALBUQUERQUE
COMMUNITY
FOUNDATION

**Board of Trustees Meeting Minutes
2023 Quarter Two Meeting**

Tuesday, June 27, 2023

11:15AM - 1:15PM

Zoom | ACF Conference Room

TRUSTEES PRESENT:

Marcus Mims, *Chair*
José Viramontes, *Chair-Elect*
Beverly Bendicksen, *Past Chair*
Dr. Abinash Achrekar
Emily Allen
Bob Bowman
Tom Daulton
Michelle Dearholt
Sanjay Engineer
Monique Fragua
Rebecca Harrington
Pam Hurd-Knief
Paul Mondragón
Charlotte Schoenmann
Walter Stern
Becky Teague
Sara Traub
Esther Villas-Wingfield

TRUSTEES ABSENT:

Tom Antram
Arellana Barela Levenson, *Treasurer*
Debbie Harms
Linda Parker
Anne Sapon
Walter Stern
Lori Waldon

STAFF PRESENT:

Randy Royster, *President & CEO*
Nick Williams, *Chief Financial Officer*
Marisa Magallanez, *VP of Strategy & Equity*
Jeff Carr, *Finance & HR Senior Associate*
Denise Nava Wyrick, *Marketing & Communications Director*
Khia Griffis, *Community Impact Director*
Celia Yapita, *Community Leadership Director*
Kate Leung, *Donor Development Senior Associate*
Tiffany Rawls, *Finance Director*
Letisha Spencer, *Grants Associate*
Clarissa Earl, *Communications & Marketing Manager*
Dominic Garcia, *Scholarship & Grants Associate*
Danielle Griego, *Governance & dEi Associate*
Julie Aragon, *Executive Assistant*
Kathy McDonald, *Bookkeeping & Data Entry Associate*
Liana Schmader, *Housing Stability Project Manager*

GUESTS PRESENT:

Bev McMillan, *Community Member*

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

Mr. Mims called the meeting to order at 11:15 a.m.

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

The June 27, 2023 Consent Agenda included the following items:

- March 28, 2023 Meeting Minutes
- Financial Statements as of March 31, 2022
- Budget to Actual as of March 31, 2023
- Investment Quarterly Update
- Q2 Grants

Committee Updates and other information were also included for the Board:

- Community Impact
- Investment
- Impact Investment
- Philanthropic Advising/Advancement
- Staff Report
- Strategic Plan Dashboards
- Annual Grant Cycle – Round 1 & 2 Summaries (approved by Executive Committee on behalf of the board)

Mr. Mims encouraged the Board to review Committee Update Reports available in their packet.

On motion by Ms. Traub and second by Ms. Hurd-Knief, the Consent Agenda was unanimously approved with no further discussion.

II. Trustee & Staff Recognition (Information)

Mr. Royster moved to highlight Trustees and staff recognition. Trustee recognition included Mr. Viramontes who attended the Hispanics in Philanthropy and Council on Foundation conferences; Ms. Allen who recently graduated from Leadership New Mexico; and Mr. Bowman who performed in *To Shiver the Sky* with the New Mexico Gay Men's Chorus (NMGMC).

Staff recognition included introducing new staff members to the Board: Ms. Julie Aragon, Executive Assistant, Ms. Liana Schmader, Housing Stability Project Manager, and Ms. Kathy McDonald, Bookkeeping & Data Entry Associate. In addition to new staff members, the Foundation made several internal transitions including Ms. Nava Wyrick overseeing the Marketing & Communications and Philanthropic Advising departments and Ms. Earl transitioning as the Communications & Marketing Manager.

Mr. Royster also shared that Ms. Griffis recently participated in a webinar regarding Trust-Based Philanthropy and Ms. Magallanez presented at the National Conference for the Council on Foundations.

Lastly, Mr. Royster informed the Board that Ms. Leung, Donor Development Senior Associate, would be leaving the Foundation at the beginning of August to attend law school. Mr. Royster thanked Ms. Leung for her work and dedication to the Foundation.

Mr. Royster also highlighted and thanked Ms. Hurd-Knief and Ms. Nava Wyrick for spearheading the 40th Anniversary Task Force. Mr. Royster informed the Board the "Pueblo Matriarch" public art installation opening took place in May and the sculpture is located at the traffic circle at 12th Street and Menaul, just north of the Indian Pueblo Cultural Center.

III. Audit Presentation (Information)

Mr. Daulton moved to review audit progress with the Board. He shared with the Board that the Finance Committee received a draft of the audit on June 20. Mr. Daulton noted the audit is mostly complete and the Finance Committee will review the audit over the next 60 days.

Mr. Daulton shared the timing of the audit has improved over last year but stated he would like to present the audit at the June Board meeting moving forward.

Mr. Daulton briefed the Board on the six audit findings from last year which all were related to timing issues. Mr. Daulton informed the Board that staff have created checklists to safeguard against future timing issues.

Mr. Daulton shared, based on the auditor's report, there will be no findings for the 2022 audit statements. Mr. Daulton assured the Board the Foundation is in good shape.

Mr. Williams informed the Board that in addition to the financial statement, the Foundation will be participating in a single audit. A single audit includes an audit of both the Foundation's financial statements and compliance with Federal awards expended over \$750,000 in federal funds in one year.

A single audit increases the length of the audit documents and financial statements. This will be the first year the Foundation will participate in a single audit.

IV. Community Impact: Scholarship Policy Update (Information, Discussion, Action)

Ms. Allen moved to review the Scholarship Policy update with the Board. Ms. Griffis informed the Board that one scholarship fund is not following best practices and staff are preparing to have difficult conversations with the donors over the summer but need policies in place to support staff in these conversations.

Ms. Griffis noted there are four additions to the Grantmaking Policies and Due Diligence Procedures document. The changes include the following:

- In Section 4, Subsection D, Item III, end of paragraph I: "Selection committee meeting dates shall be determined by designated staff of the community foundation and where possible designated staff will accommodate committee members while allowing sufficient time, but no less than seven (7) days, for committee members to review each application prior to committee meetings. However, from time-to-time committee meeting dates will be at the sole discretion of designated staff of the Foundation."
- In Section 4, Subsection D, Item III, last sentence in paragraph II: "Where a Donor-advisor recommends a person for appointment to a selection committee, Foundation staff will review such person based on objective criteria related to the expertise of such person for potential committee placement."
- In Section 4, Subsection D, Item III, end of paragraph III: "All award programs, including scholarship and student aid awards, shall require that every application be reviewed by every committee member individually prior to the selection committee"

meeting. If this is not feasible due to the number of applications received, the alternative is for committee members to utilize a grading rubric that is designed to ensure every application is being evaluated on the same standards. All scholarships/student aid distributions must be awarded on an objective and nondiscriminatory basis using a procedure that has been approved in advance by the Board of Directors of the Foundation and that has been designed to ensure that all such awards meet the IRS requirements for scholarship programs found in paragraphs (1), (2), or (3) of section 4945(g) of the Internal Revenue Code, to ensure the Foundation will remain in compliance with Community Foundation National Standards.”

- In Section 4, Subsection D, Item IV, end of first paragraph: “Scholarship applications will be considered complete once the applicant has submitted the application through the proper channels. However, from time-to-time revisions to applications may be necessary and appropriate and can be made if the predetermined deadline has not passed. Applications shall not be made available to committee members until such deadline has passed. At no time shall a committee member contact an applicant regarding their application with the intent to seek more information including but not limited to race, gender, age, sexual orientation, or other personal familial information, or reasoning behind why an applicant has or has not applied to, or was denied from, additional scholarships/student aid.”

Mr. Royster noted that all proposed changes are considered best practices for National Standards certification. He added that the Foundation has been following the proposed policies for many years but had not formally adopted written policies.

Ms. Bendicksen asked how the proposed policies would be communicated with the donor(s). Ms. Griffis shared that a meeting with Mr. Royster, Community Impact staff members, and the donor would be scheduled over the summer to review the new policies if they are approved by the Board.

On motion by the Community Impact Committee, the proposed Scholarship Policy updates in the Grantmaking Policies and Due Diligence Procedures, were unanimously approved.

V. Governance Items (Information, Discussion, Action)

Ms. Harrington moved to review the Think New Mexico variance power request with the Board. Ms. Harrington informed the Board that the Executive Committee voted on the request on behalf of the Board due to the time-sensitive nature of the request. This item is for information and discussion only.

Mr. Royster provided additional background information on the Think New Mexico variance request. No additional discussion was noted.

Ms. Harrington moved to review the Trythall Family Endowment for Excellence in Continuing Education Fund variance power request.

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 transfer the Trythall Family Endowment for Excellence in Continuing Education to the Presbyterian Healthcare Foundation for scholarships in the field of neuroscience for New Mexico students.

On motion by the Governance Committee, a motion to the Board of Trustees to use its variance power to approve the request to transfer the Trythall Family Endowment for Excellence in Continuing Education to the Presbyterian Healthcare Foundation for scholarships in the field of neuroscience for New Mexico students as presented was unanimously approved.

Ms. Harrington moved to review Trustee renewals with the Board. Ms. Harrington presented the Board with Mr. Tom Antram's Trustee Renewal for a second term and Mr. Sanjay Engineer's Trustee Renewal for a second term.

On motion by the Governance Committee, the motion to approve the Trustee Renewals as presented was unanimously approved.

Ms. Magallanez moved to review the BoardSource Board Self-Assessment timeline with the Board.

Ms. Magallanez shared a timeline graphic with the Board. She noted the self-assessment will be emailed to Trustees on July 10 and close on July 28, with reminders sent to Trustees throughout the three-week period. The Governance Committee will receive the data report from the survey 3-5 business days after the close of the survey.

Ms. Magallanez shared staff will send Trustees calendar reminders to complete the survey.

Ms. Magallanez added the goal is to review the data with the Governance Committee at their August meeting and then present findings and/or recommendations to the Board at the September Forum.

Ms. Magallanez reminded the Board the BoardSource Self-Assessment survey cannot be customized as the Foundation would lose the benchmarking ability. Staff will work with Solfire Consulting to create a dEi Board assessment component beginning in October.

Ms. Schoenmann asked for clarification if the assessment is the Board assessing the Foundation or if the Board is being assessed. Ms. Magallanez shared the Board Self-Assessment survey is the Board assessing itself.

Ms. Harrington reminded the Board that, as the Foundation is in the process of updating its Mission Statement, any evaluation of the Mission Statement in the survey will be based off the Foundation's current Mission Statement.

VI. Equity in Action: dEi Policy Initiative Update (*Information, Discussion*)

Ms. Magallanez moved to review the dEi Policy Initiative updates with the Board. She shared with the Board a cross-committee initiative to review the Foundation's gift acceptance policy, grant distribution policy, donor fund agreement and potentially the Foundation's Bylaws to ensure the Foundation has values aligned anti-hate language in its policies.

The cross-committee initiative includes the dEi, Advancement, and Community Impact Committee.

Mr. Royster and Mr. Williams shared with the Board the work the National Standards Board is doing around values aligned anti-hate policies.

Mr. Williams stated the National Standards Board is in the process of making values aligned philanthropy a best practice for National Standards and will be rolling out a tool kit for community foundations to use. Mr. Royster added he believed values aligned philanthropy would be a requirement for National Standards in 3-5 years.

Ms. Magallanez reviewed a brief timeline with the Board on the policy process. Ms. Magallanez shared that Mr. Stern volunteered to review the current policies for a first draft, the redline policies will then go to staff for an internal staff review. After the policies have been reviewed by staff, they will be distributed to committee subgroups. Then the feedback from the committee subgroups will be condensed and returned to Mr. Stern. After the next round of edits, the draft policies will be sent to Horizon Forum for review.

Ms. Magallanez added the Horizon Forum training will take place sometime in late summer or early fall. After the Foundation receives any policies edits from Horizon Forum, the policies will be redistributed to committees for final approval sometime in Quarter 3, including to the Executive Committee for review. The final step includes distributing the policies to the full Board for review and final approval at the December Board meeting.

Ms. Magallanez shared with the Board the proposed timeline is subject to change based on unanticipated factors.

Mr. Engineer asked staff to send the policy drafts to the Board in advance of the December Board meeting for ample time to review. Ms. Magallanez stated staff will send the policies in advance of the normal Board posting for the Quarter 4 Board meeting.

Ms. Magallanez informed the Board how the Foundation is working with donors and/or organizations who may be flagged for additional due diligence. Ms. Magallanez stated the Foundation has access to Horizon Forum's Hate Screen tool and can contract with Horizon Forum to execute an independent assessment of an organization that may be flagged for additional due diligence.

Ms. Hurd-Knief asked if Horizon Forum contracts for additional due diligence around a potentially problematic donor. Ms. Magallanez stated she believed Horizon Forum's focus was on 501c3 organizations rather than individual donors, but added she would reach out to Horizon Forum about this question.

VII. Executive Committee – Function & Role (*Information, Discussion*)

Mr. Royster moved to discuss the role of the Executive Committee with the Board.

Mr. Mims stated the role and authority of the Executive Committee is delegated by the Board. The Committee oversees priorities of the organization and monitors progress on a regular basis. The Committee, between meetings of the Board, may exercise all the powers of the Board, except as stated in the bylaws.

Mr. Mims added that the Executive Committee must report back to the full Board on the actions taken on behalf of the Board.

Mr. Mims shared Executive Committee members are generally officers that have been appointed by the Governance Committee. The Executive Committee is comprised of the current Board Chair, Chair-Elect, Immediate Past Chair, Treasurer, and Secretary. At the discretion of the Board Chair, the Executive Committee may also have Member-at-Large and/or a Special Advisor.

Mr. Mims encouraged Trustees to reach out to the Governance Committee if they are interested in joining the Executive Committee.

Ms. McMillan spoke about her experience sitting on the Executive Committee.

Ms. Bendicksen also added a specific duty of the Executive Committee is to evaluate the performance of the CEO and set compensation for the CEO. The Executive Committee also reviewed the Executive staff performance for the first-time last year.

Board members discussed the feeling of being a 'rubber-stamp Board' and balancing engagement verses the limited time an individual Board member may have to give.

Mr. Viramontes encouraged Board members to attend other committee meetings they may not sit on. He also encouraged Board members to feel comfortable with dissenting votes and/or opinions while fostering communication.

Mr. Royster shared the work of the full Board is completed in 18 hours annually. Additionally, Mr. Mims shared a graphic with the Board which illustrated the average number of hours each committee spends together annually.

Mr. Mims voiced the importance of having exposure to multiple committees to help understand the breadth of the organization.

Ms. Dearholt suggested reminding Trustees of next steps regarding action items and/or decisions rather than couching the statement with "the Executive Committee has already seen this."

Ms. Schoenmann echoed Ms. Dearholt's suggestions. Ms. Schoenmann asked for more transparency around committee meeting assignments, including the Executive Committee.

Mr. Royster stated that Trustees are welcoming to reach out to him and/or the current chair of the committee to express their interest. Mr. Royster did share that Trustees may not always be able to sit on the committee they are interested in due to committee charter membership criteria.

Ms. Magallanez informed the Board the process of reviewing committee membership takes place during late summer. She also reminded the Board that staff do not approve committee members, the committee incoming chair approves the committee members.

Ms. Magallanez moved to discuss how Board time is prioritized and the relationship between the committees and the Board.

Ms. Magallanez shared a graphic with the Board categorizing the areas of Board time spent including Governance/Fiduciary/Policy/CEO, Strategic Direction/Engagement, dEi Learning, and Social Engagement & Team Building.

Ms. Bendicksen suggested adding approval of the 990 audit in the Governance/Fiduciary/Policy/CEO category.

Mr. Royster encouraged Trustees to attend other Foundation events including Great Grant Giveaway and the donor party. Ms. Allen also encouraged Trustees to sit on grant panels.

Mr. Royster invited Trustees to attend the upcoming kickoff PRIDE Circle event on Friday, June 30. Mr. Viramontes thanked staff for inviting Trustees to events.

VIII. Other Business, Closing Remarks & Adjournment

Mr. Mims called for any additional business. No other business was noted.

Mr. Mims thanked the Board and staff for their time and effort.

The meeting was adjourned at 12:53 p.m.

Debbie Harms, Secretary

Date