



Greater Tacoma Community Foundation

Board of Directors Meeting Minutes

October 17, 2024, 3:00 - 5:00 pm

Tacoma Community House, 1314 S L St, Tacoma, WA 98405

As amended on December 19, 2024

Lori welcomed the Board at 3:03 pm

Aimee Khuu, Executive Director of Tacoma Community House (TCH) gave an overview of the REACH Center to help support homeless youth throughout Pierce County, as well as acknowledging all the GTCF Board and staff that have actively been involved with TCH.

Kathi introduced Aeriele Johnson, Executive Administrator, and that we hired an Accounting Assistant.

Board Members Present:

Ahlmahz Negash

Art Wang

Bev Cox

Brett Freshwaters

Christopher Algeo

Ivan Harrell

Kim Fisher

Jacques Colon

Jeanette Roatch

Kitty-Ann van Doorninck

Lori Forte Harnick

Lyle Quasim

Nathe Lawver

Michael Yoder

Priscilla Lisicich

Richard Woo

Tono Sablan

Tory Green

Wayne Williams

GTCF Staff Present:

Anastacia Lamb

Aeriele Johnson

Dannielle Robertson

Deana Hodges

Kathi Littmann

Marinda Huber

Megan Sukys

Mo Mousa

Seth Kirby

Stacey Guadnola

Steve Saalfeld

Board Members Absent:

Christina Blocker

Ryan Mello

The Board **approved Consent Agenda I** (July Board of Direct Meeting Minutes).

Nate Lawver motioned for approval; Wayne Williams seconded the motion.

The Board **ratified Consent Agenda II** (grants and scholarships).

Tory Greene motioned for approval; Wayne Williams seconded the motion.

Abstained from vote: Kim Fisher, Ivan Harrell, Bev Cox, Brett Freshwaters

Bev Cox presented the Finance Committee Report overview.

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- Highlights as of June 30th, 2024 - Favorable variance of \$201.0k in Net Total Expenses consisted primarily of:
 - Compensation - \$74.3k favorable variance primarily due to less employees hired YTD than budgeted.
 - Accounting & Legal Fees - \$59.5k favorable timing variance primarily due to scholarship redesign billing schedule.
 - Copying and Printing - \$13.7k favorable timing variance primarily due to PC Legacy Photo Deck originally scheduled in Q1, now moved to Q4
 - Events – \$11.9k favorable timing variance primarily due to savings on the Spring Board Alumni Event to be used at future Board Alumni Events
 - Meetings - \$14.3k favorable permanent variance. \$13k primarily due to savings on the Board Retreat, New Board & Governance meetings, and PA Breakfasts. Favorable timing Variance of \$1k due to savings on Stewardship meetings
 - Professional Fees - \$9.4k favorable timing variance primarily due to less than expected communications consultant fees in Q1/Q2, Board Alumni Photos, and coaching consultant not utilized in Q1
 - Technology & Telecom - \$11.1k favorable permanent variance primarily due to not renewing Crescendo and timing on IT hours.

Jacques Colon and Mo Mousa presented the Investment Committee Report overview.

- Quarterly Performance
 - Really strong returns for the 2nd quarter
 - SRI Pool – 0.7% QTR Return / 5% YTD Return
 - Annuity Pool – 1.4% QTR Return / 5.9% YTD Return
 - Short Term Pool – 1.0 % QTR Return / 3.4% YTD Return
 - Long term Pool – 1.4 % QTR Return / 6.1% YTD Return
 - Questions:
 - Lori – what do you attribute to that performance?
 - Mo - Inflation and unemployment are contributors and they are currently under control
 - Kim – Fed didn't have to act as quickly because the recession never came. We are looking beyond the “what to expect” to “what can be”. Consumers have more money to spend currently.
 - Citizen Mint Investment
 - How much of our investment fund do we use for SRI funds? The SRI Pool is separate from our other Investment pools.
 - Investment Committee will continue to look at which funds will allow us to make these types of investment
 - We were introduced to Citizen Mint Investment through Gary Brooks
 - Particular Renewable Energy Investment has multiple things that they invest in such as manufacturing, infrastructure, etc. So, there are several things that they are investing in too.
 - Kathi – It is important for the Philanthropy team to be able to offer the community the options if they want to
 - Questions:
 - Art - How is this different than other SRI pools? What are the returns on investment?
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- Mo – it is not a separate investment pool; it is just managed by a different advisor. There is currently about \$10M in this investment pool and this \$300,000 is coming from real asset class. Going forward, Citizen Mint will be included within the single-page summary for the SRI Investment Pool, rather than having a separate section.

Jeanette Roatch introduced Megan Ryan of Clark Nuber for a Presentation of the 2023 Form 990, and the Board approved the 2023 Form 990.

Chirstopher Algo motioned for approval; Ivan Harrell seconded the motion

- On September 30th, the Audit Committee reviewed the Draft Form 990, Return of Organization Exempt from Income Tax, for the year ended December 31, 2023. After careful review and discussion, the Committee voted unanimously to recommend Form 990 to the Board of Directors for their approval.
- The Committee wants to bring your attention to the following items:
 - Form 990 asks questions about the business relationships of Board Members and their family members to determine independence. Each year management provides GTCF Conflict of Interest Policy to each Board and Committee member and asks members to disclose any such relationships. The Conflict of Interest Policy is described in Schedule O on page 62 of the return.
 - In addition, Form 990 asks if we have a written Whistleblower policy and a process for establishing the compensation for the President & CEO. We do have these policies, and all Board Members should be aware of and understand them. The CEO compensation process is described in Schedule O on page 63 of the return.
 - Descriptions of GTCF programs appear on page 2 of the return.
 - Expenses are allocated among functions on page 10 of the return. The functional allocations are:
 - Program 86%
 - General Management 10%
 - Fundraising 4%

Megan Ryan from Clark Nuber presented the 2023 form 990

- Questions:
 - Art – what are we talking about in terms of the Donor Advised Funds
 - Megan - Proposed regulations now address four specific distribution types from Donor Advised Funds that may be treated as taxable, as clear guidance on these funds has previously been lacking. They really want DAF's to be used for charitable distributions instead of personal distributions. They also provide a lot of definitions that did not previously exist. It provides guidelines around investment advisor relationships and these regulations propose specific penalties around those types of relationships.
 - Art – so if the DAF is managed within GTCF, will there be any issues with that?
 - Mo – we have one DAF account within our Externally Managed Funds. We strictly adhere to IRS rules, where the Fund Advisor can grant distributions but cannot provide any investment advice or guidance. A foundation can lose their 501(c)(3) status by not following these guidelines and policies. It is one of the ways we practice risk management.

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- Lyle – are there race based programs that are discriminating against white people
 - Megan – as of right now there is no mitigation in process
 - Wayne – Can you share some examples of deceptive contribution solicitation practices
 - Megan - A solicitation that claims it is for a non-profit, but it is not – Solicitation where part of the Solicitation has an exchange that is flexible
 - Bev – Is there a lot of matching from a 990 to an individual?
 - Megan – right now there is not
 - Jeanette – the software systems do not talk to one another
 - Art – Have we ever had an issue scrutinizing our 990's?
 - Kathi - I have gotten comments on the wages, but nothing more has been brought to my attention
 - Ahlmahz – Why is our public support in the 70% and not the 90%
 - Kathi – It has more to do with the gifts and grants for charitable giving not public approval
 - Kim – On page 7, it details the board of directors, how do we go about determining how much time members give?
 - Marinda – this estimate is based on the number of committees you serve on
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Wayne Williams presented a Governance Committee request re: Executive Committee for 2025 and Board Candidates for 2025 Cohort

- Acknowledge that the candidate search began in July
- We have received 41 recommendations, and 10 individuals have been interviewed and identified as wanting to move forward
- We are in the process of finalizing communications regarding the recommendations
- Next meeting is Oct. 29th and will finalize the cohort recommendations and committee members
- We anticipate having 4 new board members for 2025 and will be looking for mentors for them
 - Aimee Khuu
 - Dr. Sheila Lange
 - Dr. Lance Goodpaster
 - Rafael Saucedo
- Other people who we recommend continue to be engaged with GTCF
 - Jeanette Dorner and Terrance McGehee – recommended steward relationship for 2026 Board Pipeline
 - Ali Cris-Kemp – recommended to engage at a committee level in 2025
- Lori has agreed to a 7th year as Chair Emeritus
- Philanthropy Northwest Annual Conference next week and GTCF will be talking about building board sustainability and the pipeline for board development and sustainability – Seth, Kathi, Megan, Aeriele, Wayne, Ahlmahz will be attending

Kathi Littmann and Mo Mousa presented a Board Learning: Enterprise Risk Management (ERM) and the role of a governance Board

Kathi – Why GTCF engages in a Risk Management Process

- This is a regular practice LT engages in that we want you to know about and support
 - GTCF LT has a CULTURE of risk management
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- This culture is intended to support GTCF in taking effective, sometimes bold, action in support of its strategic framework – rather than shying away from actions for fear of unknown or unexamined repercussions
 - This risk management tool supports compliance and control to address threats and opportunities in a single document
 - Identifying is one step, but the magic is in identifying and PRACTICING mitigation of risks

MO – How does the ERM process work?

- This is a process and tool that supports the Leadership Team’s work. We are sharing this for you to know how GTCF manages enterprise risk.
 - This is a proactive approach, not a reactive one.
 - The Board’s role is to help surface risks you see and are aware of
 - Learn how GTCF is managing risks and support that action
- Look to other CFs to begin identifying risk categories and types.
 - Action and work are not identified as risks, but are cross walked to risk types to determine mitigation
 - If new risk types are identified, they are added and evaluated
- Risk response is classified like this:
 - Avoid: Remove cause of the risk or execute project differently.
 - Transfer: Find another party who is willing to take on liability and responsibility.
 - Mitigate: Reduce the probability and/or impact of an adverse risk event to an acceptable threshold.
 - Acceptance. Adopted when not possible or practical to respond to the risk by the other strategies, or a response is not warranted by the importance of the risk.

Megan Sukys – Risk Conversations

- There are 60 total risks we have identified. We have pulled out three of the most sensational risks because that is how you make an interesting conversation.
 - As you learn more in conversation, keep in mind today we are focusing on the risk management process. These risk overviews are examples of the process at work
 - There are many, many risks that are not in the red zone. And at any time, you can request a meeting to dive deeper into the overall landscape of GTCF’s risk management
 - Stacey, Seth, and Mo each hosted a conversation on a risk they are the lead to manage
 - STACEY - MEDIUM - Fiduciary
 - DAF Regulations Change How GTCF Administers DAFs
 - SETH - MEDIUM - Reputational
 - Intermediary or Initiative Roles cause anger, confusion, protest, hostility about GTCF's real or perceived position and role.
 - MO - HIGH - IT
 - Cybercrime threatens GTCF’s financial and data integrity
 - **Discussion and Debrief**
 - Chris – our organization has established a phishing program coming from our own organization and the number of phishing schemes that occur in organizations that handle money is increasing
 - Seth – What happens when an organization funded is no longer operational?
 - Art – board perspective – we would need to make sure that we can and do get money out to organizations while being aware of the consequences and balancing those consequences before they explode. As we move towards more trust-based
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philanthropy, eventually that trust will be broken and taken advantage of. We should be aware of the risk, but that doesn't mean we shouldn't take it.

- Wayne – it comes down to due diligence in terms of their eligibility and that is part of our protection. You can do your due diligence, but you cannot control the execution
- Kathi – there is a lot of due diligence and relationships in trust-based philanthropy. We look at all the elements and put in the tactics to address. Each leadership team member is responsible for a set of risks, which we review regularly. The risks are a fluid process and conversation that is constantly being had.
- Bev - would Forterra fall into this due diligence and execution?
 - Kathi – There were promising and public statements about how they would be executing their description. But Richard has facilitated a discussion on what we did learn about 3rd party evaluators
 - Mo – how we learned about that was how do we look at and evaluate who succeeds and prospers when the risk is high
- Megan – Mitigating one risk often creates unintended consequences for others. Therefore, we collaboratively evaluate risks as a leadership team, considering their impact on our strategic framework.
- Kathi – This is a part of our standard practice and how we make decisions and take bold risks because we know all the potential risks involved and how to get around them through mitigation
- Bev – reputation of risk was an important thing last year with scholarships? How is that working out?
 - Stacey – quite well and a part of that was taking it slowly and allowing people the time to talk person by person and the board input on that made the mitigation process possible. We are on our last batch of “Unicorn” funds

Meeting went into Executive Session at 4:59 pm

Meeting Adjourned 5:05 pm

Materials Included:

- July Board of Director Meeting Minutes
- Board of Directors, Alumni, and Ambassador Joint Learning Session Meeting Minutes
- Executive Committee Meeting Minutes
- Governance Committee Meeting Minutes
- Consent Agenda II: Ratify Grants and Scholarships
- Finance Committee Report
- Investment Committee Report
- Audit Committee Report
- Presentation of 2023 Form 990 by Clark Number and QA
- 2023 Form 990
- Enterprise Risk Management (ERM)

Upcoming Meetings:

- Nov. 20, 2025 - Budget Review 9:00 – 10:30 by Zoom
 - Dec. 19, 2025 - Board of Directors Meeting 3:00-5:00 at University Y Student Center Room 303
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