

DULUTH LEGACY ENDOWMENT FUND ADVISORY BOARD MEETING
Thursday, November 20 – 12:00 Noon
Duluth News Tribune Offices
424 West First Street

MEMBERS PRESENT: Nancy Norr, Michael Cowles, Melissa Kadlec, Rob Karwath, Dan Markham, Dr. Robert Powless, Laura Sieger

ABSENT: Jeff Anderson, Greg Gilbert, George Goldfarb

STAFF PRESENT: Karen Olesen and Joyce Ellingsen, City Community Development

OTHERS PRESENT: Becky Byers Strand, Duluth-Superior Area Community Foundation

CALL TO ORDER:

The meeting was called to order at 12:05 p.m. by Nancy Norr. She introduced Laura Sieger, who will be a new board member. Others present introduced themselves. Norr noted that there is one board seat left to fill.

APPROVE MINUTES OF OCTOBER 28, 2008:

Motion by Melissa Kadlec, seconded by Dan Markham, to approve the minutes of the October 28, 2008 meeting. The motion was unanimously approved.

CHAIR'S REPORT:

N. Norr said grants totaling \$6,595 were recommended by the board at their October 10 meeting. She was later informed by the Duluth Superior Area Community Foundation that the money in the documentary fund was not available for operating expenses, only to create further resources for the endowment fund, and that the Northland Foundation grant in the amount of \$10,000 must be put into the endowment fund. Consequently, only \$3,000 was available for grants: \$1,400 in interest and \$1,600 match from board members. These grants have been approved by Duluth Superior Area Community Foundation.

Because grant money goes through the City, Councilor Stauber expressed concerns about the process and money being spent on a public purpose. A Documentation of Public Purpose form was drafted by Keith Hamre and approved by the Duluth Superior Area Community Foundation. It will be included in the application packet in the future. Applicants who receive grants in this round will complete the form and the city will send a copy to the Community Foundation.

There was discussion regarding why the DVD fund can no longer be used for operating expenses. N. Norr said a fund dedicated to DLEF operations had not been established, but it has now. The DVD fund had been functioning with dual purposes: the DVD operations and the operations of the DLEF. All gifts to DLEF operations have been used

for that purpose, but will now be reported separately. One of their board members recently noticed that in promotional materials for the DVD it was stated that “100% of all sales will be contributed to the Duluth Legacy Endowment Fund.”

Norr questioned why board contributions marked “unrestricted” could not be used for operating expenses, as intended. Strand said any check received goes into the endowment fund unless it is specified otherwise, including those marked “unrestricted.” It is a question of semantics as an “unrestricted” gift refers to the ability of a fund to make unrestricted grants i.e. endowment. Going forward, gifts to operating should state “operating” rather than unrestricted. She said it is the Community Foundation’s mission to build permanent endowments. The board discussed the necessity of having operating and development funds. The three funds now established should solve the issue: the Duluth Legacy Endowment Fund will continue to hold the endowed gifts including transferred income from the Documentary Fund, the Documentary Fund will hold income from the DVD sales for costs related to the project until transferred to the endowment, and the Operating Fund will serve as a pass through to accept gifts for operations and handle expenses. (Gifts for grant making are held in the endowed account as “spendable”.) M. Cowles will set up a meeting with Holly Sampson to clarify these matters.

CONTRIBUTIONS REPORT:

B. Strand reviewed the contributions report ending October 31, 2008. There is currently \$8,201.82 toward the \$250,000 fund raising goal. Board members noted that it appears some contributions from October, and perhaps September are not listed yet. Strand will check on this. (It was determined that an error had been made in preparing the report and the October gifts, as well as one September gift, will appear on the next report.)

COMMITTEE REPORTS

Development Committee – D. Markham he has been notified the check for \$10,000 from the Northland Foundation will be coming. Another \$10,000 commitment is coming, but has not been received yet. There is a Development Committee meeting scheduled in the first week of December. There was a discussion about sending letters to possible donors. R. Karwath will prepare the letter while D. Markham completes the list. Letters will be sent the first week in December and will also be sent to previous donors.

D. Markham noted that there is a potential SMDC gift of \$5,000 in the pipeline and it would be for operations as that is the type of grant they make. It is for marketing and development, which is of great value, but would not count for the Northland match as it is not for endowment.

Marketing Committee – M. Kadlec said the Marketing Committee is meeting next week. D. Markham said that the committee should think about putting together a marketing budget to use for Minnesota Power and St. Mary’s/Duluth Clinic. Norr updated the group stating that a flyer in the MN Power mailings is not possible. Markham noted that they should think about how to leverage these four grants,

including press releases. R. Karwath emphasized the need for good stories to tell. Kadlec and R. Karwath will meet after the Marketing Committee meeting. A press release drafted by the Marketing Committee will be sent to Keith Hamre and/or Amy Norris at the City for review before release. Strand requested that the Community Foundation review it as well.

NEXT MEETING:

The next meeting will be Monday, December 22, at 12:00 Noon at the Sister Cities office.

ADJOURNMENT:

The meeting was adjourned at 1:15 p.m.