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**Giving Back. Moving Forward.**

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FINANCE / INVESTMENT COMMITTEE  
Thursday – October 17, 2019

MINUTES

PRESENT: John Daskoch, Bob Hoffman, Fred Malpass, Lori Meeder, Tami Vincent  
ABSENT: Scott Diller  
STAFF: Chip Hansen, Laura Hansen  
GUESTS: Jeff Weisker - Fund Evaluation Group

Lori Meeder called the meeting to order at 12:30 p.m.

*Motion by J. Daskoch, supported by T. Vincent, to approve the minutes of the July 25, 2019 meeting of the Finance Committee. Motion passed, 5-0.*

Laura Hansen shared the 3Q-end financials, providing informative supplementary comments related to the Statement of Activity, Balance Sheet and Operating Fund Revenue/Expense Reports. *Motion by B. Hoffman, supported by F. Malpass, to accept the 3Q-end consolidated financial statements and revenue/expense reports, as presented. Motion passed, 5-0.*

Chip Hansen reviewed proposed changes to the C3F Administrative Fees and Fund Minimums. Mr. Hansen explained the recommended changes to fund minimums, focusing on their relationship to the organization's Strategic Plan targets around cycle grant-making and scholarship program revisions. The following changes were recommended:

- Organizational Fund Minimum: Increase from \$10,000 to \$25,000
- Donor Advised Fund Minimum: Increase from \$10,000 to \$20,000
- Scholarship Fund Minimum: For Pooled Funds, Reduce from \$20,000 to \$10,000  
For Named/Directed Funds, Increase to \$200,000

Mr. Hansen also explained a recommended change to the administrative fee schedule:

- Applying the annual administrative fee to all funds, regardless of their market value.

The group supported all recommendations except establishing a \$200,000 fund minimum for named/directed scholarships, which was tabled for further consideration. The remaining recommendations will be forwarded to the Board of Trustees at their 11/21 regular meeting.

Jeff Weisker from Fund Evaluation Group (FEG) reviewed CCCF's 3Q-end investment performance report with the group, including the following investment results:

	3Q	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Total Composite	0.1%	2.5%	8.4%	5.9%	7.4%	7.9%	7.7%
Benchmark	0.3%	2.5%	8.2%	5.8%	7.2%	7.6%	8.2%

Mr. Weisker did not recommend any changes to the allocation of assets. *Motion by F. Malpass, supported by J. Doskoch, to accept the 3Q-end investment performance report as presented. Motion passed, 5-0.*

The group also reviewed FEG's recommendations for the establishment of an ESG (Environmental, Social, Governmental) option for the C3F portfolio. After discussion, the Finance Committee selected the Vanguard FTSE Social Index Fund (60%), the Boston Common International Equity Fund (20%), and the TIAA-CREF Social Choice Bond Fund (20%). The 60/20/20 allocation reflected the Committee's desire/comfort to have more of a tilt towards Domestic Equity investments as compared to International Equity.

*Motion by T. Vincent, supported by B. Hoffman, to utilize the corpus of the Ethel Coeling Environmental Fund to establish the C3F's position in ESG investments as follows:*

- *Vanguard FTSE Social Index Fund (60%)*
- *Boston Common International Equity Fund (20%)*
- *TIAA-CREF Social Choice Bond Fund (20%)*

*Motion passed, 5-0.*

Jeff Weisker and Laura Hansen exited the meeting at this time.

Chip Hansen reviewed the initial draft of the 2020 Operating Fund Budget with the group. As always, the budget reflected conservative estimates on the revenue side of the ledger, and liberal expense estimates.

During the review, Mr. Hansen's noted the proposed budget includes:

- A flat market
- A conservative estimate of the impact of the sweep and CD options on investment revenue
- The gradual arrival of additional fee revenue associated with a significant estate gift
- Significant salary increases for staff members assuming additional duties/responsibilities
- An allocation for an additional staff member to be considered after the first of the year
- Liberal expense projections based on our experience and initiatives, including the transfer of \$35,000 in operational funds to grant-making, in support of investments in housing and student success

The proposed budget produces revenues of \$700,000 and expenses of \$687,638. After discussion, the Finance Committee, by consensus, recommended the budget be forwarded to the full Board of Trustees for consideration at their meeting to be held on November 21, 2019.

Chip Hansen presented his recommendations (and rationale) for staff bonuses for 2019. His recommendations included recognizing each staff member for their exceptional performance during the year, as well as for their assumption of additional duties/responsibilities associated with the C3F's short-term transition plan, which has been implemented to accommodate the retirement of Maureen Radke, Program Officer. The Finance Committee, by consensus, supported Mr. Hansen's recommendations, which included:

Ashley Cousens - \$1,500  
Laura Hansen - \$1,500

Mishelle Shooks - \$2,000  
Sara Ward - \$1,500

The group revisited their discussion related to staff compensation increases in 2020. Chip Hansen shared updated information from the Council on Foundations 2018 Salary and Benefits Report, as well as summary data from regional community foundations, major nonprofit agencies and major employers. Chip Hansen presented his recommendations (and rationale) for staff increases, reflecting the long-term assumption of additional duties/responsibilities for several staff members. The Finance Committee, by consensus, supported Mr. Hansen's recommendations, which included:

Ashley Cousens – 10.0%  
Laura Hansen – 3.0%

Mishelle Shooks – 10.0%  
Sara Ward – 10.0%

The bonus and compensation recommendations will be considered by the full Board of Trustees at their regular meeting to be held on November 21, 2019.

*Motion by T. Vincent, supported by B. Hoffman, to adjourn the meeting. Motion passed, 5-0. The meeting adjourned at 3:04 p.m.*

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Laura R. Hansen, Recording Secretary

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Date