

Duke Class Benefit Fund (CBF) Board Meeting Minutes
May 23, 2016 | 10:00 am – 12:30 pm
Location: Freking Myers & Reul
525 Vine St., 6th Floor | Cincinnati OH 45202
Approved 6/13/16

Board Members: Kathy Merchant, Brewster Rhoads, Mark Shanahan, Kevin Bright

Attorneys: Bill Markovits

Staff: Kathi Huber, Freking Myers & Reul

Brewster Rhoads called the meeting to order and introduced Kathi Huber, who will provide administrative staff services to the CBF Board.

1. Grant Administration Software

Shiloh Turner, VP for Community Investment The Greater Cincinnati Foundation (GCF)

The CBF Board requested a proposal from GCF to evaluate the cost of using GCF's grant administration platform as an alternative to custom-designing a system for the Class Benefit Fund. GCF's system is called "Foundant." In order to protect the privacy of GCF's information, the software company will need to create a protected system for the CBF, but will offer a significant discount because of its relationship with GCF. The CBF Board will be able to conduct all grant-related activities, including reviews, online.

According to Shiloh, the pricing is as follows:

- \$6,000 for the license, which covers a two-year period of time. (Note that the CBF Board is expected to conduct its affairs over a maximum 5-year period, so the total number of years that the system will be needed is to be determined.)
- \$500 per form (or possibly per process, to be confirmed by Shiloh). Forms include:
 - Letter of interest (LOI)
 - Application (including attachments, e.g., annual audits)
 - Award and denial letters to be generated by the system
 - Financial reports (four times a year)
 - Program reports (twice a year)
- \$1,500 for one group training for the Board on how to use the system independently

The Board also discussed the grantmaking and reporting processes, in part to shape a request to GCF for "back office" support. The Board will issue and review all LOIs and Applications. However, GCF administrative support may be needed to help manage requests for information, report generation, and follow up on missing pieces of application submissions. The full extent of administrative support the CBF Board will need to utilize the Foundant platform will not be clear until after the first invitation process. In the meantime, an "up to" contract to purchase administrative support may be the best approach.

In addition, GCF will be asked to host a bidders conference in July, and to help identify potential grant recipients. At no charge, GCF program staff will review our list of applicants and identify organizations that are particularly strong or alternatively may have weaknesses.

Board members concluded that it would be highly beneficial to use GCF's platform for these reasons:

- The system exists; we would not have to create one.
- Most functions are automated.
- GCF has established community credibility using this system.
- It will be very straightforward to create a transparent record of the Board's decision-making process.
- Everything is consolidated in one place; all Board members will have the same view of the information submitted by applicants.

In discussing the process, a few additional guidelines were surfaced:

- The first grant payment will be made upon signing of a grant agreement. Subsequent payments will be made conditioned on receiving an acceptable financial report. We expect payments to be semi-annual.
- Board members will not answer inquiries from individual applicants. A new email will be set up that Kathi Huber will monitor. Technical questions about the system will go to GCF. Other questions will be channeled to the most appropriate person (either board members or attorneys).
- With help from GCF, the Board will establish review criteria (some of which are already set up in GCF's Foundant system).
- In addition to a bidders conference, the Board will use the existing website and a press release to announce the availability of funding.
- When funds become available, they will be held in escrow by Key Bank, which will in turn issue grant checks.

2. Minutes of April 6, 2016

Approved as corrected.

3. Updates: Settlement Hearing process

The final date for an appeal to be filed is May 27. Bill Markovits will communicate with Board members following that date to update on the timeline for next steps.

4. Grant Timeline for 2016

Kathy developed a timeline that translated the process sketch outlined in the Blueprint document into actual dates for this calendar year. Review and discussion with Shiloh Turner revealed that not enough time had been incorporated into the early phases of the process to accommodate the work that Foundant will need to do to set up the CBF systems on the platform and train Board members on how it works. Action: modify the timeline.

5. For discussion: co-create a revolving loan fund for multi-family landlords

Kathy shared an idea she learned about at a Mission Investors Exchange conference held the previous week. Several organizations have experience operating loan funds for multi-family landlords whose tenants are low income. Examples include NYCEEC (New York) and Community Investment Corporation (Chicago).

The Board discussed the concept of “co-creating” a similar loan fund with local nonprofits such as the Cincinnati Development Fund and the Greater Cincinnati Energy Alliance. This type of loan fund would target funds to members of the class who may not have benefited from the direct payments to class members. It could further leverage the use of PACE financing. For consideration, Kathy suggested that perhaps half of the \$8 million CBF could be used for revolving loans, including this concept, and the other half would be used for grant programs that provide direct benefits to class members.

No decision was made nor action taken. For consideration: assess this type of opportunity once the Board receives Letters of Interest.

6. Agenda items for June 13th meeting:

- Finalize parameters of software and administrative support services contract with GCF/Foundant
- For the bidders conference:
 - Finalize invitation list
 - Review and finalize invitation wording
 - Review and finalize Request for Letters of Interest
- For the application process:
 - Finalize timeline
 - Review draft Letter of Interest format
 - Review edited versions of GCF application materials

7. Follow-up Items

- a. Kathy modify the grant application timeline.
- b. Kevin set up a special email address for use in communicating with applicants.
- c. Brewster find out from Shiloh if GCF can host the bidders conference in July to launch the grant process.
- d. Brewster work with Kevin and Mark to finalize a list of nonprofit organizations to receive invitations to the bidders conference, enlisting GCF's help.
- e. For all: determine how to inform businesses about the application?
- f. Kathy secure, review and draft modifications all of the forms that GCF currently uses for their own Foundant grant administration process.
- g. Kathy draft the Request for Proposals to be distributed to organizations that attend the bidders conference.

8. Future meeting dates:

June 13: next board meeting, 1:00 – 4:00 pm

Meeting notes recorded by Kathi Huber

Meeting minutes prepared by Kathy Merchant