Annual Meeting of Members
Minutes of January 17, 2019 Meeting

Board Chair June Noronha called the Annual Meeting of the Members of the Minnesota Council on Foundations to order at 9.40 a.m. at the Minneapolis Marriott Northwest, 7025 Northland Drive North, Brooklyn Park, MN 55428 and noted that there was a quorum. MCF staff was present at the meeting.

Consent Agenda
The consent agenda included the minutes of the 2017 Annual Meeting of Members; the motion to approve 2017 minutes was moved and seconded. The motion passed unanimously.

Finance, Administration and Audit Committee Report
Katy Friesz, MCF board treasurer gave a report on MCF’s financial status. She noted that there was an estimated unrestricted operating deficit of $200,000 to $250,000 for 2018 preliminary year-end financials report.

Katy reported that MCF had enough cash balances and other liquidity to absorb the operating deficit. She noted that the membership income was steady and strong. 2018 membership income was approximately $1,164,000, up about 3% from the previous year.

Income in non-membership income types, such as grants, sponsorships, and contract income fell short of budget. This income shortfall is attributable, in part, to multiple staff transitions in 2017 and 2018. As a result, membership accounted for approximately 78% of total operating income in 2018, up from a typical range of 65-70% in recent years.

At its December 2018 meeting, the board approved an operating budget that included just over $1.5 million in core operating income; $1.67 million in core operating expenses; and a resulting $165,000 operating deficit. $75,000 of the 2019 budgeted deficit is non-cash items of depreciation and amortization – the cash deficit will be funded by unrestricted and undesignated cash balances.

In the early months of 2019, MCF will hire two new members of the staff leadership team. The board will convey to these new staff leaders how critical it is that the operating deficit be closed going into 2020. Given the budgeted deficit, MCF will pay close attention to year-end forecasts throughout 2019, which, in large part, is driven by anticipated membership income.

Katy reported that the 2017 MN Charitable Annual Report and tax returns were approved by the MCF board and timely filed. The 2017 Form 990 is available on the MCF website, Guidestar, and upon request.

MCF continues to convene the finance, administration, and audit committee. The committee consists of board members and representatives of member organizations. The committee is working for the second time this year with Eide Bailly on the audit of year-end 2018 financials and IRS Form 990 filing. Audit fieldwork is scheduled for April.
**Governance Committee Report**

Maria De La Cruz, Governance Committee member reported that MCF issued a call for nominations to all its members containing criteria on the characteristics and skills needed for the Board of Directors. The Governance Committee received many nominations and selected one nominee to fill one open spot on the board.

On behalf of the Governance Committee, Maria made a motion to elect Ben Cameron, Jerome Foundation and Christine Searson, Saint Paul and Minnesota Foundations to a first three-year term. Maria also made a motion to elect Katy Friesz, Winnebago Industries Foundation; Repa Mekha, Nexus Community Partners; Kate Seng, GHR Foundation; Erik Torch, Northland Foundation to a second three-year term.

The motion to elect the slate as presented was seconded from the floor. The slate was unanimously approved.

June adjourned the Annual Meeting of members momentarily.

**Election of Officers**

June convened a brief Annual Meeting of the Board of Directors to elect the slate of 2019 officers. On behalf of the Governance Committee Judson moved to elect the following slate of officers: Chair, Kim Borton, InFaith Community Foundation; Vice Chair, Aretha Green-Rupert, Otto Bremer Trust; Secretary, Michael Dominowski, Thrivent Foundation; Treasurer, Katy Friesz, Winnebago Foundation.

The motion to elect the slate of officers as presented was seconded. The slate was unanimously elected.

June reconvened the Annual Meeting of members.

**Chair of the Board Report**

June thanked JoAnn Birkholz, past board secretary, for her many years of service to MCF as she retires as a board member. June noted that MCF has direct a grant of $200 to a nonprofit of JoAnn's choosing in recognition to her service.

**Adjournment**

There being no further business June accepted a motion to adjourn the 2018 Annual Meeting of Members of the Minnesota Council on Foundations.

Minutes respectfully submitted by:

JoAnn Birkholz, Board Secretary