



Endowment for Equal Justice Board Retreat

Wednesday April 17, 2019

Davis Wright Tremaine

MINUTES

Board Members present: Rima Alaily, Bruce Brooks, Ellen Dial, Kay Frank, Ele Hamburger, John Hoerster (President), Nancy Isserlis, Gail Mautner, Michelle Moersfelder, Sal Mungia, Margaret Niles

Absent: Mark Hutcheson, Mark Kamitomo, Dick Manning, Mike Schwab

Staff: Caitlin Davis, Brendan Hennessey, Melinda Mann

Guest: Mark Griffin (LFW Board President), Omid Bagheri (JustLead WA), Jennifer Werdell (JustLead WA)

Formal election of Gail Mautner:

John noted that although Gail received unanimous approval from Board Members via email, a formal vote would ensue. Margaret made a motion to elect Gail to the Board for a three-year term, Ellen seconded it, and Gail was unanimously elected to the Board. John reported that he and Melinda met with Gail last week, and that she will join the Donor Engagement Committee, work with Dick on planned giving, and join Rima's Reach 20 Team.

Approval of Minutes:

It was moved and seconded that the Board approve the minutes of the February 27, 2019 board meeting minutes. The motion was unanimously approved.

Presidents Report:

2019 Board Retreat Agenda: John briefly gave an overview of the meeting agenda, noting two items intentionally left off the agenda because they are better discussed after completing the Reach 20 Initiative: the first being a discussion of proactively seeking earmarked gifts from donors interested in supporting specific grantees or areas of legal aid; and the second being an in-depth discussion about a flexible spending policy in which the spending percentage might vary significantly from year to year. John thanked Mark Griffin for attending on the LFW Board's behalf.

Corporate Resolution: John noted Debra Holland from Columbia Bank delivered a corporate resolution for the bank to authorize the following as officers for 2019: President, John; Vice President, Ellen; Treasurer, Bruce; and, Secretary, Margaret. He noted the Endowment's corporate resolution signed in September 2017 and banking resolution signed in December 2018 remain in effect.

Board Members' Individual Plans: John reported that he and Melinda have completed all but one of their two-on-one meetings with Board Members, and let Board Members know their individual plans will be finalized and used throughout the year. He added that he, Rima and Michelle have met with most of the Advisory Council Members and are pursuing a similar strategy with their Champion Plans. He noted Jim Degel and Gerry Alexander are open to hosting events.

Committee Updates:

Board Support: Kay reported that Michele Storms has agreed to brainstorm potential new board members for the Endowment as well as do joint outreach to the minority bar associations and other affinity groups. She added that Michele is open to coordinating on cultivation and engagement events such as a speaker series with Jeff Robinson, the ACLU's Deputy Legal Director. Michele shared information about the ACLU of WA's board recruitment method, noting they allow community members to serve on committees without committing to full board service. Kay reported the Board Support Committee will take this into consideration when examining how the Endowment recruits board members. Kay additionally announced the Committee is hoping to recruit Beth Barrett Bloom, an employment law attorney active in QLAW and the LGBTQ community.

Operations and Investment: Bruce reported that following a presentation from the auditors from Peterson Sullivan, the Endowment was issued a clean opinion letter. He announced the Committee voted to recommend acceptance of the audited 2018 financial statements to the full Board, and the Board unanimously accepted the 2018 audited statements.

Donor Engagement: Sal reported that every Goldmark Luncheon contributor received a hand written thank you note from a Board Member. He listed several events for Board Members to invite donors to, including an upcoming stewardship event for donors who have been giving for 20+ years.

Communications: Ellen reported the first Communications Committee meeting will take place on April 23rd. She noted the major agenda items are how to best raise the visibility of the Endowment, eliminating confusion between the Endowment and the Campaign, cobranding with LFW, and the creation of a two-minute educational video.

LFW/Endowment Liaison Report:

Nancy reported that LFW's annual report to the Supreme Court takes place on May 8. She announced LFW continues to see a rise in IOTLA funding, noting March 2019 was the highest month ever recorded and total IOLTA revenue for the year is projected for \$8.1M.

Reach 20 Fundraising Update:

Melinda provided Board Members with an overview of recent contributions, and reported \$111,000 has been raised towards the \$500,000 LFW match. She listed several upcoming Reach 20 events including an event at Paul Mack's during the ATJ Conference and a concert featuring the Paula Boggs Band. The Endowment is also planning several cultivation events including an affinity bar outreach event and a trip to the EJI Museum and Memorial.

Reach 20 Teams Exercise:

Michelle outlined the Reach 20 Teams exercise, explaining the teams would rotate between three stations: Station 1: Team Name and Logo; Station 2: Scoring and Prizes; and, Station 3: Team Event. To motivate the Board members, Michelle let the teams know that Reach 20 points would be awarded for the following: most enthusiastic team; most creative name and logo; best team event; and best scoring and prizes. The teams rotated between the stations for ten minutes each, and then were judged on their performance. Chile Verde (f/k/a Rima's Team) was awarded two Reach 20 points, and the Green Machine (f/k/a John's team) and 2020 Vision (f/k/a Michelle's Team) were awarded one each.

Melinda offered chocolate prizes to Board members who committed to joining the Justice Society by the end of the year, to which Rima, Bruce, Michelle, Margaret and Gail agreed.

Race Equity and Justice Initiative (REJI):

Jennifer Werdell and Omid Bagheri presented on the work of JustLead WA and REJI. They outlined their work in the Alliance for Equal Justice, and showed the list of REJI Partners, including LFW. Margaret inquired whether law firms would be able to sign on to REJI as partners, to which Jen said yes.

Diversifying the Board:

Rima led the Board in a discussion about diversity, continuing the conversation from the September 2018 board meeting. The Board explored what diversity is, and why it is important to board composition. Ele noted she was surprised the Endowment does not have a legal aid client serving on the board, and the Board agreed this would offer a powerful connection to the work for donors. The Board agreed that reaching out to other communities might also be a way to tap into previously unreached donors. Ele also offered the possibility of having an open application to join the Board. The Board further discussed diversity and inclusion, noting it should remain a top priority going forward. Nancy noted Washington Leadership Institute is a great possible resource, and said she will reach out the chair James Williams.

John asked whether the Board should join REJI as a partner. The Board discussed who is in charge of REJI, and how decisions to add or amend its acknowledgments and commitments are made. After full discussion, the Board unanimously decided to join REJI. The Board will continue discussing how to best implement its partnership with REJI.

Spending Policy Discussion:

Bruce led the Board through a presentation of the Operations and Investment Committee's recent work related to spending policy. The Board discussed objectives for portfolio management, including perpetual funding for Endowment programs and partners (LFW grantees) and preserving purchasing power. Bruce noted the Committee had not previously accounted for expenses in the spending rate, which coupled with the annual disbursement put spending over five percent for 2016, 2017 and 2018. The group examined whether including in-kind expenses paid by LFW in the Endowment's expenses would lower the spending rate. The Board also considered the 2018 NACUBO study as well as insights from the UW Board of Regents decision to lower their endowment's spending rate from five percent to four point five percent. John noted that he spoke with Advisory Council Joel Benoliel who serves on the Board of Regents, and Joel indicated he was open to speaking with the Committee about the decision making process. Noticing the NACUBO study focused on institutional organizations, the Board requested

the Committee to look into other non-profit endowments, and Kay offered to look into the spending policy of the ACLU of WA's endowment.

The Board agreed to continue the discussion at the next board meeting after additional work by the Operations and Investment Committee, noting discussion with the LFW Board is essential before any changes would be made to the Endowment's spending policy.

The meeting adjourned at 4:30 PM.