

# BALTIMORE CIVIC FUND

## **Board Meeting** **Wednesday, December 14, 2022**

**9:00 am to 10:00 am**

Via Video Conference

**Board Members Present:** John Brothers, HyeSook Chung, Jason Perkins-Cohen, Alli Smith, Laurie Schwartz and Chezia Cager

**Guests Present:** Grace Cao and Lucy Xu from Goldin Group; Lewis J. Wallace, Managing Director, and Illana Roth Escandon, Director from the Commonfund

**Staff Present:** Lea Ferguson

A regularly scheduled meeting of the Board of Directors of the Baltimore Civic Fund, a Maryland nonprofit corporation, was held via web-teleconference **September 15, 2022**, from 9:06 am to 9:54 am.

John Brothers called the meeting to order at 9:06 am.

The first item of business was a motion to approve board meeting minutes from the **September 15, 2022**, Board meeting. Two needed changes were identified. Laurie Wingate should be changed to Laurie Schwartz. And we need to include the motion that was passed unanimously via email for the election of Byron Reese for the Board of Directors.

Staff took note and will make the changes. With the changes needed on record, the Board unanimously approved the Board meeting notes.

### **Finance Report**

Staff presented a summary of the Year-to-Date budget. The headline – we are underbudget due to understaffing as we have a vacant director of finance position along with much reduced professional fees. We increased our projects for legal fees as we saw a demand in FY21, but this need has not been realized.

On the revenue side, the administrative fee for FY23 is coming in and within our budget – approximately \$600,000 has come in this fiscal year. For the remainder of the year, to stay on budget, we need to collect approximately \$700,000 more in admin fees.

The current narrative does not show the potential commitment of the city, as we undergo the conversation are the longer-term relationship and administrative fees. We are waiting for feedback from the City regarding a comprehensive funding strategy that reflects the commitment to realizing revenue stream for the Civic Fund as we expand our current capacity and growth.

**Account Balances:** As of 11/30/22

- M&T primary checking account: \$10,515,157 – [programmatic & operational fund]
- Holdings LLC: \$31,274 [Clean Corps Account]
- Commonfund 10/31/22 \$ 7,709,477 [investment Portfolio]

**Investment Portfolio Presentation**

Reps from Commonwealth Fund joined the call to present an historical overview. PowerPoint Attached.

Key highlights:

- It was difficult to do well in stocks and bonds over the last 9 months, but things are getting better now – and strategic moves to invest in diverse portfolios will help regain losses.
- Risks – Feds are messaging that it is slowing down due to wage growth.
- Public volatility will continue – and we need to weather this period, and investment policy changes may not want to be as aggressive during this volatile period.
- We need to see this under the lens of a longer 10-year plan – a better picture as short term is not going to be reflective – tactical allocation – 2% under 70/ 30 debt portfolio – from 2 to 1%

The board raised a question regarding assessment process: What is the process of making recommendations regarding new contributions to the fund and/or adding new investments? How does our portfolio compare to other similar portfolios?

In creating a long-term investment policy, we need to consider the following questions:

1. What is our spending rate and how much can we pull down to support operational costs?
2. What is the spending we are trying to achieve?
3. What would be an asset allocation that the Board would recommend?

The Board recommended as a next step to create an ad hoc finance committee to develop an investment strategy to consider different revenue strategies.

**Presentation of Investment Policy**

The Board discussed how assessing our spending and growth rate will help determine a contribution strategy. This in turn will help manage internally the spending rate and analyze risks to our assets.

The secretary mentioned that the Director of Finance and Chief Financial Officer for the City of Baltimore for the City will be joining the March board meeting and will certainly be an asset to the financial work to support longer-term investment strategies.

### **Closing Remarks and Adjournment**

The Board chair thanked everyone for attending the meeting. The meeting was adjourned at 9:54 a.m.

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Prepared by: HyeSook Chung, interim Secretary of the Board