

BALTIMORE CIVIC FUND

Board Meeting

Thursday, June 29, 2023

9:00 am to 10:00 am

Via Video Conference

Board Members Present: John Brothers, HyeSook Chung, Byron Deese, Michael Moiseyev, Laurie Schwartz and Alli Smith

Guests Present: Grace Cao and Lucy Xu, Goldin Group and Dawit Negari, Rubino and Company

Staff Present: Lea Ferguson and Semeka Lyles

A regularly scheduled meeting of the Board of Directors of the Baltimore Civic Fund, a Maryland nonprofit corporation, was held via web-teleconference **June 29, 2023, from 9:06 am to 9:56 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 March 16, 2023, Board meeting. The Board unanimously approved the Board meeting notes.

Finance Updates

FY21 Audit and FY22 Audit

Dawit Negari from Rubino and Company presented the FY21 Audit. In summary, no significant findings. Only flag was the delay in submitting the single audit. We were delayed in completing and submitting our first single audit, as we were making the determination if it was requirement.

Rubino and Company began working on the FY22 Audit. For this audit, we expect it to be a much smoother process than previous years as the current staff and Goldin team have been working together since FY21. We anticipate the audit to be prepared to share with the Board soon.

NOTE: With the completion of FY21 presentation and FY22 update, Dawit left the meeting.

FY23 Year to Date

Lea presented a summary of the Year-to-Date budget through May 2023. We continue to be under budget because of underspending on salaries due to vacancies. We did go over professional fees as we conducted a single audit, for which we did not budget.

On the revenue side, the administrative fee for FY23 is coming in above our budget – but with the deferred schedule of payments of \$567,341.

This also reflects program wide effort in collecting admin fee at 5%, which we started in October 2022.

Presentation of FY 24 Proposed Budget

Total Operating Revenue	\$ 1,841,952.00
Total Operating Expenses	\$ 1,776,606.98
Net Balance	\$ 65,345.02
Restricted Program	\$ 23,000,000.00

A question was raised about distinguishing between general admin fees and more specific fees or rates by service or dedicated staff time. The recommendation is to start tracking time or services that are not covered by admin fees and noted the possibility of distinguishing such efforts as an in-kind donation to better align our services we provide the city for “free.” The Civic Fund currently does not track operational expenses to each account’s admin fee and related efforts or operational expenses.

A question was raised as to whether revenue and expenses increase if the general operating budget increases. Staff referred to the presentation given to point out over the last 3 years the exceptional growth due to the infusion of CARES and ARPA (American Rescue Plan Act) dollars to support key Mayoral initiatives. The challenge moving forward will be what our longer-term sustainability plan should look like as ARPA dollars are phased out by FY26.

The FY24 revenue budget includes a \$400,000 contribution from Baltimore City government, which has not yet been confirmed. The board emphasized that operational revenue must balance with operational expenses in FY24, and alternatives were discussed – including increasing the administrative fee to 7% in FY24 and removing any administrative fee waivers.

A motion to approve the FY24 Budget came forwarded and seconded. The Board unanimously approved the Board FY24 Budget.

Investment Policy

A quick overview of the proposed investment policy was provided. Management met with the Finance Committee, and the recommendation is to have a separate investment committee, with voting and non-voting members. Nominations are welcome now.

In summary, the primary objectives featured:

- Provide a stable source of liquidity and financial support for the mission while building capital growth over time.
- Maintain a moderate portfolio for balanced return through a higher allocation to equity fixed income, where appropriate.

A motion to approve the new investment policy was proposed and seconded. The Board unanimously approved the new investment policy.

Accounting Manual and Policies

Over the past year, staff have been reconciling, updating, and creating our new accounting manual which reflects all our accounting policies. It includes new practices we implemented in FY23 reflecting an accrual-based accounting, deferring revenue, and other policies such as voiding checks not cashed after 90 days. It now reflects current staffing and organizational check and balances and serves as a handbook for current and new staff.

A business for the board was to approve the new accounting manual. A motion to approve the manual was proposed and seconded. The Board unanimously approved the accounting manual.

President's Update

The current focus is on the recruitment of additional board members. During the next quarter, we will need to focus on Governance and board recruitment. The priority is still to identify members representing university system and legal background.

The Board chair asked if there was a need for an executive session. No one raised concerns or issues.

End motion to adjourn the meeting at 9:56 am

Closing Remarks and Adjournment

The Board Chair thanked everyone for attending the meeting. The meeting was adjourned at 10:09 a.m.

Prepared by: HyeSook Chung, interim Secretary of the Board