

**United Way of Anchorage
Board Meeting
February 21, 2018, 4 p.m.
Wells Fargo Conference Room**

Members Present (14): Mike Abbott, Alyssa Bish, Belinda Breaux, Laurie Butcher, Dan Clark, Mike Dunn, Kitty Farnham, Charles Fedullo, Geoff Lundfelt, Dick Mandsager, Jordan Marshall, Joe Marushack, Teri Nienhaus, Beth Stuart

RSVP Regrets (9): Jay Butler, Bill Falsey, Rick Fox, Alex McKay, Susan Parkes, Frank Paskvan, Natasha Pope, Janet Weiss, David Wight

Call to Order: Dan Clark called the meeting to order at 4:05 p.m.

Guest: Nancy Burke, Homeless and Housing Coordinator, Municipality of Anchorage

CONSENT AGENDA

Mike Abbott moved to accept the consent agenda (January 17 meeting minutes and January financials) as presented, Joe Marushack seconded, and the motion passed unanimously.

AGENDA ITEMS

Executive Committee Report:

Dan Clark reported that the Committee serves as Board Development Committee and recommends the following new Board members:

- Greg Deal of Wells Fargo (resolution moved by Beth Stuart, seconded by Joe Marushack, passed unanimously)
- Michael Huston of Northrim (resolution moved by Dick Mandsager, seconded by Kitty Farnham, passed unanimously)
- Brad Spees of GCI (resolution moved by Beth Stuart, seconded by Kitty Farnham, passed unanimously)

Cory Quarles is being reassigned and resigned from Board. Dick Mandsager is retiring from Providence but has agreed to stay on the Board.

UWA is transferring its PickClickGive roles (agency applications and payouts) to the Alaska Community Foundation where the PCG coordinator is housed. When PCG began, the various components were split up among UWA, the Alaska Community Foundation, and The Foraker Group and it is being consolidated.

The Alaskan AIDS Assistance Association let UWA know it suffered employee embezzlement. An arrest warrant has been issued. No media requests to UWA to date.

At the last meeting, the Board discussed how to implement UWA business plan for investment products, which are the workplans for the community goal focused work, like 90% Graduation by

2020. The success of UWA business model hinges on whether UWA can monetize this work, so forming a Board ad hoc committee to help prepare for this analysis.

Guest Nancy Burke, Homeless and Housing Coordinator, Municipality of Anchorage:

Nancy Burke came to discuss the efforts to address the issues raised during UWA’s public comment regarding homeless services on 3rd Avenue. Burke reported that, in general, homelessness remains a very contentious topic. A large portion of homeless population are elders, and it is steadily growing. Behavioral health, homeless services, housing facilities, etc. are all siloed. Coordination of housing and homeless services needs to be merged into a system. Levers include coordinating funding people, housing, and figuring out how to stabilize homeless individuals. Also need to consider shared spaces like parks and trails and shared public services, like fire and police.

A mobile Intervention Team was formed due to higher level of services needed by people at the shelter campus and to large congregations milling around. That high density campus made 4,000-6,000 police/fire calls annually. The MIT pairs mental health services with first responders for triage, assessment, and connection to the right level of service. The team has fire, EMT, and three police officers trained in crisis intervention, as well as UWA staffer and a social worker. The MIT is training the staff of service providers on the campus in order to get clients into more appropriate services to reduce police/fire calls.

Campaign Update:

Elizabeth Miller projects campaign total of \$5.45 million, an increase over last year. This turns on the outstanding national accounts (AT&T, Wells Fargo, UPS) coming in at last year’s levels, and a few more Tocqueville gifts.

To date, there are 66 Tocqueville members contributing over \$1.13 million, exceeding the \$1.11 million raised last year. This year’s Tocqueville award will go to Joe and Gayla Everhart and the reception is scheduled for April 24 at the new home of Dana Fabe and Randy Simpson.

The projection indicates a 7% donor increase, compared to a 9% decrease last year. Notable accounts include:

- Doyon Drilling with the largest increase in participation, increasing from 13% in 2016 to 50% in 2017;
- BP with the most new dollars raised for UWA, raising \$125,000 more dollars over last year;
- ConocoPhillips with \$75,000 more dollars raised over last year.

The car sweepstakes give-away will take place March 8 at Alaska Sales and Service. The five finalists are from Alaska Sales and Service, Northrim Bank, ConocoPhillips, Municipality of Anchorage, and Doyon Drilling. 25 “wild card” finalists from almost as many companies were also chosen and one will be drawn to participate in the sweepstakes event.

Finance Committee Update:

Beth Stuart reported that the Committee’s assessment and recommendation for the amount available for community partners is between \$1,460,000 and \$1,505,000 depending upon the final campaign outcome. The Committee created a financial dashboard for easy info review and seeks Board comment. Staff has been holding back on expenses, pending final campaign results, so budget well in the black. With the first distribution available from the Cuddy Endowment, the Committee voted to take 50% of earnings for distribution. The Endowment establishes that distribution should be applied

to operations. The investment firm will make recommendations on distribution levels for the Committee to review and make its own policy decision. Finance Committee will serve as CFO Search Committee to replace Len Lambert who retires in July. Beth Stuart presented a resolution on check signing authorization (updating names per bank requirement). Geoff Lundfelt moved to approve the resolution as presented, Mike Abbott seconded, and the motion passed unanimously.

Partners Investment Decision Process:

Dan Clark provided a review of the evolution of community partner investment decisions, in preparation for the Board making the investment decision in March. UWA's most enduring role, and the role most people (particularly in workplace campaign) think of for UW, is to provide yearly allocations to a cadre of vetted health and social services organizations.

The only revenue raised for UWA's first 50 years was from workplace campaign. For those years, UWA gave those revenues out to historical partners based on essentially what they had received in prior years. Then, UWA changed its business model, and altered how it made investments accordingly. Investment evolution steps included agencies achieving sound finance and operations; program outcome capability; beginning to align outcomes; and participating in goal-based partnerships. UWA also began diversifying revenue stream by seeking other investments for the goal-focused work and had hoped to eventually integrate all revenue streams to a more strategically impactful investment portfolio.

The goals set for the new investment process include:

- Maximizing UWA investments (from all sources of funding) in the most strategic, connected activities that will help achieve goals, whether the activities are done by UWA internally or by the other partners.
- Ensuring that the effort to make investment decisions by both UWA and partners is spent on what matters most, and reduce overall the level of effort to make those decisions.
- Use investment, resource development, and leadership practices to encourage collective behaviors by multiple system partners.

UWA categorized its investments into these three types:

1. Community Solutions – Mobilized community and multi-sector efforts to achieve a community goal, resulting in better outcomes for individuals/families and change in systems, environments, and community conditions to affect all community residents.
2. Impact Initiatives – Collaborative set of aligned or complementary services/practices that result in better outcomes for individual/families or specific populations, or results in a more effective and efficient service delivery system.
3. Infrastructure Community Services – Essential direct services for individuals and families that are measurable.

As UWA neared the final step in the evolution of better linkage between investments and goals, it faced some major issues. Most significant was the substantial and steady drop in revenue, both in campaign dollars and the goal-focused work. Donors participating in the long history of workplace campaign retained an expectation that campaign revenues would go to community partners as they had before, particularly in tough economic times. And, UWA partners who stated they preferred pro rata distributions from campaign were losing interest in supporting it due to the revenue drops. This dynamics might have been different if the revenue picture had been positive for both workplace campaign and goal centered fundraising, but that loss changed the environment for UWA.

This led UWA to become more clear that workplace campaign revenues would support historic community partners, as long as they maintained financial and operational excellence and produced program outcomes. UWA calls these “foundational” investments in partners since the funds help keep them strong. UWA also makes impact investments in these and other partners for the goal-focused work, especially through revenues raised outside workplace. UWA does try to align foundational and impact investments where it can.

Revenue from workplace campaign is used primarily for the foundational community partners. Revenue from other sources (donor restricted, major gifts, grants, grassroots) are prioritized for impact investment. When campaign fell short in prior years, UWA did tap into these other sources to soften the blow to partners, but that was not an ideal solution nor a sustainable one.

Community partner and impact investment objectives set by the Board last year remain UWA’s guiding principles this year:

- keep the flywheels moving on business model and community goals
- investment evolution toward results-based investment and maintaining long-term vision
- keep partners strong, incent partners to support collaborative resource development
- maintain solid reputation and donor confidence

In addition, for this year Executive Committee set the following objectives for FY’19:

- clarify the distinction between revenue sources and how the revenue is deployed for each
- if possible from workplace campaign, restore some of the reductions to agencies that UWA had to make as campaign dropped in prior years
- use other revenues, particularly donor goal-directed revenue, for impact investments

The total requests this year are for \$1,459,200, which is the same as was invested last year. There are 59 program applications from 35 agencies, which is two programs less than last year. Financial and operational reviews are underway now by volunteers and staff.

The Finance Committee determined that there is enough in campaign revenues to meet basic request (\$1,459,200) and up to \$1,505,000 if campaign comes in at \$5.4M. In addition to the “unrestricted” campaign revenues available for investments this year, agencies will also receive approximately \$1.2M in donor designations.

Options for community partner investments from workplace campaign are:

- Continuation funding at \$1,459,200
- Increase at % campaign increased
 - for instance, campaign increase of 3%
 - requires \$1,502,976 in unrestricted campaign revenue for continuation + 3%
- Increase to some other level, using limited other revenue sources
- Decrease or redistribute in order to fund impact investments
- Decrease to build reserve

The Executive Committee is tentatively leaning towards recommendation to:

- make a pro rata 3% increase to community partners who pass the reviews, assuming campaign comes in at \$5.4M
- use other available resources for goal-focused investments and operations

- reserve some for contingencies

At the March meeting, the Board will go over application review results and discuss a more complete picture of workplace campaign results and the options for community partner investments.

Motion to adjourn was made by Joe Marushack, seconded by Greg Deal, and unanimously approved.

Next Board meeting: March 21, 2018