

**Minutes of the Meeting of the
Board of Directors of the
F. M. Kirby Foundation, Inc.
April 20, 2018**

A meeting of the Board of Directors of the F. M. Kirby Foundation, Inc. was held on April 20, 2018 at the home of Alice K. Horton, 4900 West Cornwallis Road, Durham, North Carolina. For purposes of logistical efficiency, the start of the meeting was delayed until the planned guest presentation was completed. The President invited Mrs. Laura H. Virkler (guest) to introduce Ms. Sandy Sweitzer, Executive Director of Triangle Land Conservancy. Ms. Sweitzer began by announcing that they are celebrating their 35th anniversary this year with the installation of their 35th mile of publicly accessible trail. TLC has a goal of conserving 25 thousand acres by 2025 and received the Corporate Philanthropy Award in 2018 from Triangle Business Journal.

Ms. Sweitzer shared that TLC had achieved an Accredited Land Trust designation. Mrs. Alice K. Horton pointed out that accreditation is great for sustainability but not critical as it entails a labor-intensive application process and is unwieldy for smaller organizations.

TLC's mission is to safeguard clean water, protect natural habitats, support local farms and food and connect people with nature. Ms. Sweitzer highlighted two successful nature preserves: Brumley Family Nature Preserve and Walnut Hill. Brumley's launch raised \$10K and resulted in 150 new members to TLC. She mentioned that all conservation easements require endowment support for land stewardship. The one exception was the Upper Neuse area as Raleigh funds land stewardship.

Ms. Sweitzer detailed collaborations with Wake and Johnston County, as well as Whole Foods Markets. Ms. Sweitzer discussed the Clean Water Management Trust Fund which had received allocations as high as \$100M from the state in 2005, as low as \$10M, and currently was in the \$30M range. TLC spends \$5K per year on advocacy efforts via the Conservation Trust of North Carolina. The Board thanked Ms. Sweitzer for taking the time to meet with them. After Ms. Sweitzer departed at 2:50 p.m., the President called the Members to another room for the Annual Members meeting. Following the brief Members meeting, the Directors meeting was called to order at 3:10pm.

The following Directors were present:

Wilson M. Compton
Ashely H. Freedman (newly elected on 4/20/18)
Alice K. Horton
Ward K. Horton (resigned effective 4/20/18)
Jefferson W. Kirby
S. Dillard Kirby
Sandra B. Sherman

Mrs. Leigh Kirby Klein was excused from attendance at the meeting due to a scheduling conflict. Mr. S. Dillard Kirby, President, presided and Mrs. Diana L. Kostas, Treasurer & Secretary, recorded the minutes of the meeting. Mrs. JoAnn F. Tiefau, Program Officer, and Ms. Erin C. Clifford, Communications and Program Associate, were invited to attend the meeting via Skype. The President welcomed Mrs. Laura H. Virkler and Mr. F. Morgan Kirby, IV, to the meeting as guests. The President announced that the Members had accepted Mr. Ward K. Horton's resignation and thanked him for his years of service. Finally, Mrs. Alice K. Horton shared the key points in the Members decision to elect Mrs. Ashley H. Freedman as a Director.

The minutes of the meeting of the Board of Directors held December 8, 2017 and subsequently distributed to the Directors were approved.

Mrs. Virkler was invited to comment on the environmental docket in North Carolina. Mrs. Virkler shared that over the span of 20 years, the F. M. Kirby Foundation had awarded 76 environmental grants to six organizations in North Carolina totaling \$2.5M, most of which were general operations support. For 2017, 11.7% (\$195K) of North Carolina giving supported environmental grantees. The Board discussed the giving levels in the environmental docket in North Carolina and whether the Foundation should devote some funds to advocacy. It was agreed that such issues would best be settled once the entire year's presentations on the environmental docket have been completed.

The President referred the Board to his report, dated April 12, 2018, which was distributed in advance to facilitate discussion of it at this meeting. The President mentioned Mr. William H. Byrnes' site visits in North Carolina on March 27 and 28, 2018. Mr. Byrnes visited Triangle Land Conservancy, Conservation Trust for North Carolina, South Eastern Efforts Developing Sustainable Spaces (SEEDS), Student U, NCSU Foundation/Hunt Library and Durham Academy. Mrs. Horton, Mrs. Kirby Klein, Mrs. Freedman, and Mrs. Virkler also participated in several of these site visits. Mrs. Horton and Mrs. Virkler commended Mr. Byrnes on his site visit reports. The President noted that Mrs. Kirby Klein was working with Ms. Clifford on a new Board Member Orientation. The Board thanked Mr. S. Dillard Kirby for his report, which is attached hereto as part of the minutes.

The President then referred the Board to the written memorandum dated April 20, 2018, from Mr. Jefferson W. Kirby, Chairman of the Investment Committee, who in turn referred to the February 13, 2018 Investment Committee minutes, and his report, distributed in advance of this meeting, all of which are attached hereto as part of these minutes.

Mr. Jefferson W. Kirby expanded upon his written report by stating that year-to-date returns through March 31, 2018 were .1% versus the blended benchmark of -1.1%. The Foundation portfolio returns noted above are net of fees. He announced that after considerable deliberation, the Foundation had terminated the agreement with J.P. Morgan for Analytics reporting, which will save the Foundation \$55K annually. The Foundation still maintains a strong relationship with J.P. Morgan.

The President then referred the Board to a cumulative list of grants from December 1, 2017 through March 31, 2018 of \$75,000 or less approved by Management, attached to the Agenda, and asked for ratification thereof. The President noted one new grant recipient, as well as those receiving “final” grants, and called on Mrs. Tiefau and Ms. Clifford to highlight such. A motion was made and seconded that the list be ratified. The motion was approved. The above-mentioned list is attached hereto as part of the minutes.

The President then referred the Board to a cumulative list of grants proposed by the President from December 1, 2017 through April 10, 2018 in excess of \$75,000, attached to the Agenda, and asked for approval thereof. The President then began a conversation on the Lafayette College grant request. In addition to the “new” 2018 recommended funding levels on the cumulative list, the college has requested the allocation of \$300K from the income portion of the Kirby Athletics Enhancement Endowment Fund toward Metzgar Field renovations. Also, the College has requested a \$150K release of funds from the Reserved for Future Decision (RFD) account to be used toward a Chateau Chavaniac study (\$50K) and a Kirby Buildings main campus study (\$100K). Mr. Jefferson W. Kirby elaborated on the details of these requests. The President then began a discussion regarding Lawrenceville’s current request for “new” funds and the release of approximately \$8M from the Reserved for Future Decision (RFD) account at

Lawrenceville to be used toward repairs and maintenance of the F. M. Kirby Math and Science Center (\$5.5M), as well as a contribution to the new field house and dining center complex (\$2.5M). Mr. Jefferson W. Kirby also added several details to this request and answered questions. After a discussion regarding a few other grants on the list, a motion was made and seconded that the list, as outlined above, along with the special requests made by both Lafayette College and Lawrenceville, be approved. The motion was approved. The above-mentioned list is attached hereto as part of the minutes.

The President then invited attention to and asked the Board to consider accepting the Independent Auditors' (EisnerAmper LLC) Report dated March 1, 2018 for the calendar year 2017. He mentioned that this year's audit resulted in no reportable exceptions. Mrs. Kostas provided an update on a few items of note in the audit. After a discussion, a motion was made and seconded to accept the Report. The motion was approved. The Board tabled a discussion regarding inviting EisnerAmper to a future Board meeting, with an understanding that such may occur in 2019.

After motion duly made by Mrs. Horton, Chair of the Nominating Committee, seconded and carried, the following resolution was adopted by the Directors of the Corporation:

RESOLVED, that the following persons be, and they hereby are, elected to the offices set after their respective names, each to serve until the next Annual Meeting of the Directors of the Corporation and until their respective successors shall have been qualified or as otherwise provided in the By-Laws of the Corporation.

S. Dillard Kirby – President
Jefferson W. Kirby – Vice President
William H. Byrnes – Vice President - Grants
Diana L. Kostas – Secretary & Treasurer
Alice K. Horton – Assistant Secretary

After motion duly made by Mrs. Horton, Chair of the Nominating Committee, seconded and carried, the following resolution was adopted by the Directors of the Corporation:

RESOLVED, that the following persons be, and they hereby are, appointed to the committees set before their respective names, each to serve until the next Annual Meeting of the Directors of the Corporation and until their respective successors shall have been qualified, or as otherwise provided in the By-Laws of the Corporation.

Executive Committee – Jefferson W. Kirby, Alice K. Horton,
and S. Dillard Kirby

Investment Committee - Jefferson W. Kirby, S. Dillard Kirby,
and William J. Raver as an advisory member

Nominating Committee - Alice K. Horton, Leigh Kirby Klein,
and Wilson M. Compton

Compensation Committee – Sandra B. Sherman and Jefferson W. Kirby

The chairperson of each committee was designated by the Board as being the person whose name is underlined above.

The President shared details on the Kirby Alliance meeting held March 1, 2018 at the F. M. Kirby Foundation office and that the next KA meeting would take place at Kirby Episcopal House on September 27, 2018.

Ms. Clifford highlighted the most recent website analytics, sharing that the first week of April had peak usage (438 sessions). Of the 8,228 sessions (since launch), 83.6% were initiated by new users and 16.4% by returning users.

After a discussion, the next regular meeting of the Directors was scheduled for Friday, September 14, 2018 at 2:00 p.m. at 17 DeHart Street, Morristown, New Jersey.

During Executive Session, there were no matters discussed. The meeting was adjourned at 4:55 p.m.