

**Minutes of the Meeting of the  
Board of Directors of the  
F. M. Kirby Foundation, Inc.  
September 9, 2022**

A meeting of the Board of Directors of the F. M. Kirby Foundation, Inc. was held on September 9, 2022, at the Morristown Medical Center, 100 Madison Avenue, Morristown NJ. Zoom conference was available for those unable to attend in person. Following the Members meeting (see separate minutes), the Directors meeting was called to order at 2:05 p.m.

The following Directors were present:

Wilson M. Compton

Alice K. Horton

Elizabeth M. Kirby

Jefferson W. Kirby

S. Dillard Kirby

Leigh Kirby Klein

Sandra B. Sherman (arrived at 2:30 p.m.)

Laura H. Virkler

Ms. Laura H. Virkler, Chair, presided and Ms. Diana L. Kostas, Treasurer & Secretary, recorded the minutes of the meeting. Mr. Justin J. Kiczek, Executive Director, Ms. JoAnn F. Tiefau, Program Officer, Ms. Emily C. Prince, Program Officer, Ms. Liz Crowley, Program Associate, and Ms. Gina E. Beviglia, Communications and Operations Associate, were invited to attend the meeting. The Chair welcomed Mr. Ward K. Horton, Ms. Ashley H. Freedman, Mr. F. Morgan Kirby, IV (via Zoom), Mr. J. Walker Kirby, Jr., Mr. Stark D. Kirby, Jr., and Ms. Jane J. Kirby to the meeting as guests. Ms. Virkler noted that Ms. Elizabeth M. Kirby was elected as a

Director of the Foundation by the Members and welcomed Ms. Jane J. Kirby to her first board meeting as a guest.

Mr. Kiczek then introduced Ms. Trish O’Keefe, President of Morristown Medical Center (MMC), acknowledged gratitude for MMC hosting the meeting, and noted MMC’s long history with the Foundation, having received sixty grants totaling over \$8M. Ms. O’Keefe highlighted her career path at MMC and noted that MMC was a source of valid information during the pandemic. MMC has 17K team members on its 30-acre campus. It opened a medical center in Rockaway and is expanding the Emergency Department (with best-in-class technology in the emergency rooms) and its helipad by one-third. It has a new strategic plan (2023-2027) which includes emergency response plans for new COVID-19 variants and new business models for its physicians whereby they are employed by MMC, and the center handles back-office operations. As it is a teaching hospital, MMC offers residencies and fellowships (neonatal, geriatric, critical care) to develop physician skill sets and build a pipeline of physicians for the community. The Board thanked Ms. O’Keefe for her introduction, and she left the meeting at 2:30 p.m.

Ms. Virkler and Mr. Kiczek discussed other sites for future Board meetings given the considerable number of directors and guests. It was suggested that the host of the meeting be allocated 10 minutes on the agenda.

The minutes of the meeting of the Board of Directors held April 29, 2022, previously distributed to the Directors, were approved.

Mr. Kiczek shared the rationale behind the selection of The Center for Effective Philanthropy (CEP) as the vendor to conduct a benchmarking survey, noting that they first conducted a grantee perception survey for the Foundation in 2012. He then welcomed CEP representatives Ms. Kristy Luk, Manager, and Ms. Erin Fitzgerald, Analyst, Assessment and

Advisory Services to share key results from the survey (via Zoom). Ms. Luk extended thanks to the FMKF team in their cooperation in pulling contacts together and formulating the survey. She gave an overview of CEP's mission and structure, as well as the survey methodology. 259 grantees were sent surveys, with 213 responding (82%). The average response rate is 65%. The Foundation's response rate was the highest among its cohort. The Foundation's response rate in 2012 was 77%. Grantees who were not funded were not included in the survey. The custom cohort consisted of nine other foundations. CEP felt that, with an 82% response rate, responses were representative of all grantees.

Ms. Luk reviewed several key metrics (unrestricted funding and understanding an organization's strategy, goals, and challenges, for example) where the Foundation scored higher than peers, as well as a few where it scored below (multi-year grants, median grant size, non-monetary support) its peers. CEP suggested that providing opportunities to connect people and organizations doing similar or complementary work and convening stakeholders in the nonprofit, public and private sectors may improve grantees' perception of FMKF's impact on their organizations.

Ms. Fitzgerald highlighted responses regarding the Foundation's relationships with grantees in metrics such as responsiveness, frequency of in-person or virtual site visits, and frequency of contact with a program officer. The Foundation received strong ratings here and was described as a "true partner in every sense of the word." Ms. Horton inquired about whether they surveyed grantees about Board interactions. Ms. Fitzgerald replied that the survey focused on staff contact and that grantees were seeking even more interaction. She noted that there were opportunities for the Foundation to be internally aligned on communications. The Foundation was rated in the middle or bottom tier versus its peers regarding its communication of goals and

strategies and regarding grantees understanding how their own work fits into the Foundation's work. There was also limited understanding of FMKF's priorities. CEP suggestions included clearer communication (via the website, newsletter, conversations) of the Foundation's goals and strategies so grantees can connect their funded work with the broader efforts of the Foundation.

Ms. Fitzgerald also reviewed the grant process, which was another area of strength for the Foundation, with regards to both the application process and time required. About 25% responded negatively when surveyed about an online application portal with concerns about flexibility and the ability for personalized responses. CEP suggested identifying and maintaining the most helpful aspects of the current application process and soliciting further feedback on the online portal.

There were several follow up questions from the Board. The Chair thanked Ms. Luk and Ms. Fitzgerald for their presentation, and they departed at 3:30 p.m. The Board adjourned for a brief break and resumed at 3:40 p.m.

Prior to presenting his Report of the Executive Director, Mr. Kiczek asked the newest FMKF team members, Ms. Prince, and Ms. Beviglia, to give brief personal introductions. Mr. Kiczek then highlighted the links that the CEP recommendations had to the Strategic Plan. The Strategic Plan focuses on three major areas: 1) further strengthening relationships with grantees; 2) creating opportunities to enhance communications and promote the work of our grantees; and 3) being a connector and bridge builder by creating regional advisory boards, hosting grantee convenings, and forging better connections with fellow grantmakers.

Mr. Kiczek sought feedback on both the CEP report and the Strategic Plan. Both Ms. Alice K. Horton and Ward K. Horton inquired about the negative feedback pertaining to online grant applications. Mr. Kiczek surmised that perhaps with other applications the fields were too

rigid, there were too many datapoints, or other limitations. Ms. Horton commented that she loved reading the positive comments about staff.

Mr. S. Dillard Kirby, Chairman of the Investment Committee, provided an update on IC activities since the last Board meeting. As a result of the educational component added to the IC meetings in 2022, the Committee has heard two different presentations on real asset investments (infrastructure, water, energy, sustainability), with KBI Global presenting in April and Cohen & Steers (introduced by Evan Lorey) presenting in July. The Committee considers real assets a potentially good diversifier in an inflationary environment and decided to make a \$5M commitment to one of those two firms. The IC Chair and Treasurer will make a recommendation electronically to the committee and hopefully move forward before the October 25<sup>th</sup> meeting. The Committee met with both J.P. Morgan and PIMCO and received satisfactory reports from both within the context of the depressed equity and fixed income markets. PIMCO (down 8.6% through July 31<sup>st</sup>) has provided better downside protection than J.P. Morgan, especially in 2022. The total portfolio is valued at approximately \$334M as of August 31<sup>st</sup>, well down from \$391M at the beginning of the year. On a time-weighted basis, the portfolio is down 11.2% versus its custom 75% ACWI/ 25% Global Agg benchmark of 13.9%. Vanguard has been the standout this year, down 8.2% YTD. The Chairman highlighted the 15-year anniversary with Walter Scott (August 1<sup>st</sup>). Despite this year's tough performance (down 16.9% YTD), Walter Scott is well ahead of its Since-Inception benchmark, up an annualized 8.6% versus 5.4%. The differential over the 15-year relationship equates to approximately \$50M in excess that the Foundation has been able to apply to grants and expenses. The total portfolio's value, as of close September 8<sup>th</sup>, was \$325.6M. It has been a difficult year on an absolute basis, yet a positive one relative to the custom benchmark. The Foundation has been carrying ample cash such that it could pay out

grants and operating expenses without selling depressed securities over the past two years but that may not always be the case. Ms. Virkler thanked the IC Chairman for his report.

Highlights on a few grantees from the \$75K and under list were made: Bald Head Island Conservancy (Ms. Crowley), a multi-year grant for Durham Children's Initiative (Mr. Kiczek), Platinum Minds (Ms. Prince), and ReCreation (Ms. Tiefau). The Chair then referred the Board to the cumulative list of grants from April 1, 2022 through August 31, 2022 of \$75,000 or less approved by management, attached to the Agenda, and asked for ratification thereof. Subsequently, 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.

Highlights of grantees on the referrals list of grants in excess of \$75K included American Cancer Society (Ms. Kostas) and Paper Mill Playhouse (Mr. Kiczek). The Chair then referred the Board to the cumulative list of grants proposed by the Executive Director from April 15, 2022 through August 31, 2022 in excess of \$75,000, attached to the Agenda, and asked for approval thereof.

Ms. Horton asked where the Foundation stood in regards to grants approved through August (including the pledges just approved) and was informed that the Foundation grantmaking was approximately \$10M YTD.

Mr. Kiczek informed the Board of the selection of GivingData for the new grants management system, with a goal of going live on the new platform on May 1, 2023. Ms. Kostas provided the Board an update on the cyber security audit conducted by EisnerAmper, noting that the Foundation had received a low cyber risk profile. She will be scheduling a follow-up call with EisnerAmper and Panurgy to address the high and medium risk issues. The next phase of the cyber audit will be the preparation of written Information Technology policies.

Ms. Crowley gave an overview on the successful summer 2022 internship, noting Ms. Gabriella D. Ramirez's LinkedIn social entrepreneurship profiles, which featured many FMKF grantees and increased the Foundation's LinkedIn engagement and followers, along with her presentation on the three United Ways that the Foundation supports.

Ms. Kostas handed out the Grants Outstanding list as of September 8, 2022 and noted that the Foundation had ninety-six grants outstanding versus seventy-six grants outstanding the same time last year.

Mr. Kiczek reminded the Board and guests of the upcoming Lunch & Learn session on September 20<sup>th</sup>, featuring Ms. Joanne Florino from Philanthropy Roundtable. Ms. Virkler welcomed suggestions for future sessions. She also announced the next Kirby Alliance (KA) meeting will occur on December 9th preceding the Board meeting. There will be a 9:45 a.m. tour of Drew University, a presentation by Rising Tide Capital, followed by the KA meeting and lunch for everyone. The Foundation meeting will begin at 2 p.m. Ms. Beviglia informed the Board that the Foundation is seeking a new web designer as Foundation Center will be transitioning away from web hosting by June 2023.

The Chair then excused Ms. Kostas, Ms. Tiefau, Ms. Prince, and Ms. Crowley from the meeting at 5:00 p.m. so the Board could engage in a conversation with the Executive Director regarding staffing updates. At 5:15 p.m. Mr. Kiczek was also excused so the Board could hold a brief executive session, which included family "guests." The Chair apprised the Board of her ongoing conversations with both the Executive Director and staff to gauge any concerns or feedback. The meeting was adjourned at 5:30 p.m.