

**Minutes of the Meeting of the
Board of Directors of the
F. M. Kirby Foundation, Inc.
April 28, 2023**

A meeting of the Board of Directors of the F. M. Kirby Foundation, Inc. was held on April 28, 2023 at the Hill Learning Center, 3200 Pickett Road, Durham, NC. 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 2:15 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
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; and Ms. Gina E. Beviglia, Communications and Operations Associate, were invited to attend the meeting. The Chair welcomed Ms. Ashley H. Freedman; Mr. Ward K. Horton; Mr. J. Walker Kirby, Jr. (via Zoom); Mr. Stark D. Kirby, Jr.; and Ms. Jane J. Kirby (via Zoom) to the meeting as guests.

Ms. Beth Anderson, Executive Director of the Hill Learning Center, gave a brief welcome to all attending and noted that the Center received its first gift from the F. M. Kirby Foundation in 1993 towards the Hill Reading Achievement Program. Ms. Anderson has been at the Center since 2014. The Chair thanked Ms. Anderson for her time and the use of the Center for the Board meeting. Ms. Anderson departed the meeting.

Mr. Michael Ulku-Steiner, Head of School, Durham Academy, then presented various dynamic tensions that appear in current academia. Challenges include polarity management (handling interdependent opposites); rigor and vigor in academic curricula; technology and

humanity in teaching and learning; transactions and trust in parent-school relations; and talent and tenure in recruiting and retention. Mr. Ulku-Steiner fielded questions from the Board regarding his observations on the mental wellness of students post-pandemic and ended the presentation at 3:10 p.m. The Chair thanked Mr. Ulku-Steiner for his presentation and Mr. Ulku-Steiner left the meeting.

The minutes of the meeting of the Board of Directors held December 9, 2022 were approved. Ms. Sandra B. Sherman addressed the issue of remote meetings. The Foundation's bylaws authorize remote meetings where everyone can hear everyone else. There has been more scrutiny regarding technology utilized for meetings. One of the firm's law partners will review the bylaws and make recommendations on inserting verbiage regarding such matters.

The Chair then invited attention to and asked the Board to consider accepting the Independent Auditors' (EisnerAmper LLC) Report dated March 1, 2023. The auditors completed the audit in-house and reported no exceptions. Ms. Kostas provided an update on a few items of note in the audit, including the \$67M decrease in investment value (primarily due to market value declines), new categories in the statement of functional expenses, and that the \$52.0M excess distributions carryover as of December 31, 2022 would expire in 2023. After a discussion, a motion was made and seconded to accept the Report. The motion was approved. Mr. Jefferson W. Kirby inquired as to EisnerAmper's policy on rotating partners. Ms. Kostas informed the Board that EisnerAmper had no formal policy on partner rotation because it is not required for not for profits, but that EisnerAmper has a deep bench if we chose to rotate partners. Ms. Amy MacFadyen has served as the partner for the F. M. Kirby Foundation since 2019.

The Chair moved on to the next agenda item: the Report of the Executive Director. The Executive Director asked if there were any questions on his report which was previously distributed. He highlighted progress on the GivingData grants management system conversion, as well as the development of the Foundation's new website. He noted that the Morris County Funders Group consisted of approximately 7 funders who have pledged \$200K to date towards mental health first aid training. Ms. Virkler met with a North Carolina Funders Group (8 to 9 foundations and several non-profit organizations) which is exploring impact investing and diversity and justice initiatives. The Report of the Executive Director is attached hereto as part of the minutes.

Mr. S. Dillard Kirby, Chairman of the Investment Committee, provided an update on the Committee's recent meeting on April 25th. The endowment portfolio was valued at \$324M as of December 31, 2022, which was considerably higher than September 2022 when the portfolio value dropped below \$300M. The portfolio was down 13.4% in 2022, outperforming the Foundation's 75 ACWI/25 Global Agg benchmark of -17.7%. At the end of the first quarter of 2023, the portfolio was valued at \$342M, up 6.5% (above the benchmark of 6.2%). The Foundation cleared \$3M for grants and expenses in the first quarter. He highlighted the Foundation's strong performance for 2022 versus peer endowments in the one-year, three-year and five-year time periods. He mentioned the educational presentation on private equity conducted by Hamilton Lane and informed the Board of its decision to redeem \$5M from the Walter Scott portfolio to help fund grants and modestly reduce the equity percentage of the total portfolio. The Chair thanked Mr. S. Dillard Kirby for his report.

The Chair referred the Board to a cumulative list of grants from December 1, 2022 through March 31, 2023 of \$75,000 or less approved by management. The staff offered a brief overview of grantees from their respective dockets. Ms. Tiefau highlighted El Futuro; Ms. Prince highlighted NJ Consortium for Immigrant Children; and Ms. Beviglia highlighted NJ Theatre Alliance. Ms. Freedman recommended listing the staff member responsible for each grantee on the grants list. A motion was made and seconded that the list be ratified. The motion was approved. The aforementioned list is attached hereto as part of the minutes.

The Chair then referred the Board to a cumulative list of grants proposed by the Executive Director from December 1, 2022 through April 14, 2023 in excess of \$75,000. Ms. Prince highlighted two grants to the Fuqua School of Business (for the school itself and the Fred Morgan Kirby Prize for Scaling Social Impact). Mr. Jefferson W. Kirby mentioned the potential for a named opportunity at the Center for the Advancement of Social Entrepreneurship (CASE). The Foundation recommended \$200K toward the Reserved for Future Decision Fund. Ms. Beviglia and Mr. Stark D. Kirby, Jr. offered highlights from their visit at Shakespeare Theatre. Ms. Kostas informed the Board of recent developments at the Leukemia and Lymphoma Society and Ms. Tiefau highlighted all three United Ways. A motion was made and seconded that the list, as provided, be approved. The motion was approved. The above-mentioned grants list is attached hereto as part of the minutes.

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

Be it **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 Bylaws of the Corporation:

Laura H. Virkler – Chairperson

Jefferson W. Kirby – Vice President

Justin J. Kiczek – Executive Vice President / Executive Director

Diana L. Kostas – Secretary & Treasurer

Leigh Kirby Klein – Assistant Secretary

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

Be it **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 Bylaws of the Corporation:

Executive Committee – **Laura H. Virkler**, Jefferson W. Kirby, and S. Dillard Kirby

Audit and Compliance Committee – **Sandra B. Sherman**, Laura H. Virkler, and S. Dillard Kirby

Compensation Committee – **Wilson M. Compton**, Laura H. Virkler, Jefferson W. Kirby, and Elizabeth M. Kirby

Investment Committee – **S. Dillard Kirby**, Jefferson W. Kirby, and as Advisory Members, Ward K. Horton, F. Morgan Kirby, IV, William J. Raver and Evan C. Lorey

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

The chairperson of each committee is designated in bold font.

Ms. Prince provided an update on Lafayette College's Wallach Sports Performance and Lacrosse Center. The project costs are estimated at \$13.5M. The school is contributing \$1.1M and has a fundraising goal of \$11.7M. The Foundation previously approved \$1.0M from the

Reserved for Future Decision Fund and an additional \$1.0M if the school 1) raised \$7.0M inclusive of the Foundation's \$2.0M, and 2) received Lafayette Board approval to break ground. Thus far the college has raised \$6.6M (inclusive of the Foundation's \$2.0M) and has requested an extension through August 31, 2023.

Ms. Beviglia informed the Board that the Foundation was creating a Crisis Communications Management Plan addressing issues such as natural disasters, cyber security, etc. and how the Foundation would respond and who would approve communications. It is a work in progress.

Mr. Kiczek shared a summary of the Kirby Park renovations and centennial celebration. The Ann K. Kirby bathroom project is underway. Potential projects that the Foundation could fund include the creation of a fishing dock, paving of driveways/roadways, and upgrades to a softball field. The date of the Kirby Park centennial celebration will be determined in the summer of 2023 with an anticipated June or July 2024 celebration.

Mr. Kiczek also gave a brief biography on Mark DiPietro, the Foundation's Fall 2023 Intern. Other new business included presenting the idea of moving to an invitation only grants process and the use of an eligibility quiz once the online grant application goes live.

Ms. Virkler issued a proclamation recognizing Ms. Tiefau's 27 years of service to the Foundation (attached hereto as part of the minutes). Ms. Tiefau responded with a lovely speech expressing her gratitude. The staff, excluding the Executive Director, left the meeting at 5:15 p.m. Mr. Kiczek and Ms. Virkler apprised the Board of the current search for office space, presenting three options of renting at 14 Maple Ave.; purchasing a building at 32 Mt. Kemble Ave.; or staying at 17 DeHart St. Mr. S. Dillard Kirby made additional comments regarding his initial reasons for exploring moving options and explaining his comfort with the Foundation staying at the Sansay House for the time being. After considering the three options, the Board's general consensus was that, considering there was not an urgent need to move in the short term, the Foundation was best positioned to wait for a more opportune location or listing.

Mr. Kiczek then shared with the Board his plans for filling in Ms. Tiefau's responsibilities upon her retirement by having Ms. Liz Crowley assume the Human Services grants upon her return from maternity leave and Ms. Gina Beviglia continue to work on the arts grantmaking. At 5:30 p.m. Mr. Kiczek was excused so the Board could hold a brief executive session, which

included family “guests.” The Board discussed the staff adjustments relating to Ms. Tiefau’s retirement and how the team was dealing with the changes (shifting responsibilities, the implementation of the new grants management system, Giving Data, etc.). The Chair indicated to the Board that she felt confident that Mr. Kiczek and the team were managing the transition smoothly.

DECLARATION - JOANN TIEFAU

WHEREAS, JoAnn Tiefau joined the F.M. Kirby Foundation, Inc. in 1996 as an Executive Assistant and has since served as a Grants Manager, Program Associate and now a Program Officer, and

WHEREAS, during that period she has worked tirelessly, opening the doors at 7am every morning throughout her career and working long hours, often eating her lunch at her desk, and

WHEREAS, she has overseen the Foundation's largest grant docket, Human Services, and managed the Arts/Cultural docket, representing over one third of the Foundation's grants portfolio. She has known each grantee's key staff contacts and communicated with them regularly, creating positive relationships that every grantee has valued, and

WHEREAS, she implemented the Foundation's first computerized grants administration program, ushering in the new technological age, and has now helped the staff transition to the new grants management software, ensuring that all the historic information was properly transferred over to the new system and that everyone was able to easily access that information, and

WHEREAS, most importantly, JoAnn has been the glue that has bonded the staff of the F.M. Kirby Foundation, Inc. for over 25 years, supporting four different Foundation leaders during her tenure, and always being there to welcome and nurture each new staff member, an

WHEREAS, she has consistently received an Excellent performance rating during her annual review each year, resulting in her salary nearly quadrupling over her tenure. Now, therefore be it

RESOLVED that the F.M. Kirby Foundation, Inc. and the Board of Directors highly commend JoAnn Tiefau for her twenty-seven years of service to the Foundation, and

ACKNOWLEDGE with great gratitude her tireless work on behalf of the hundreds of non-profits that she has researched and supported, her moving presentations on said non-profits, her constant enthusiasm despite the workload, her endless knowledge of all things BlackBaud, and her focus on perfection, and

CONVEY to her our high regard for her integrity, loyalty, unwavering positivity, and constant smile and

AFFIRM our belief that her impact at the F.M. Kirby Foundation and all the organizations it supports will be remembered with awe, admiration, and appreciation.