

**Minutes of the Meeting of the
Board of Directors of the
F. M. Kirby Foundation, Inc.
September 6, 2024**

A meeting of the Board of Directors of the F. M. Kirby Foundation, Inc. was held on September 6, 2024, at the Fred M. & Jessie A. Kirby Episcopal House, 381 Sunset Road, Mountain Top, PA 18707. Zoom conference was available for those unable to attend in person. The Directors meeting was called to order at 2 p.m.

The following Directors were present:

Ashley H. Freedman
Elizabeth M. Kirby
S. Dillard Kirby
Leigh Kirby Klein
F. Morgan Kirby, IV
J. Walker Kirby, Jr.
Laura H. Virkler
Sandie B. Sherman (via Zoom)
Wilson M. Compton

Ms. Laura H. Virkler, Chair, presided and Ms. Helen Benson, Director of Finance / Treasurer & Secretary, recorded the minutes of the meeting. Mr. Justin J. Kiczek, President; Ms. Wanda Miroslava Peguero, Grants Administrator (via Zoom); Ms. Liz Crowley, Program Officer; Ms. Gina E. Beviglia, Program Associate; Mr. David A. Cucchiara, Communications & Program Associate, were invited to attend the meeting as guests. The Chair welcomed Ms. Alice K. Horton, Mr. Jefferson W. Kirby, Mr. Ward K. Horton, Mr. Stark D. Kirby, Jr., and Ms. Jane J.

Kirby to the meeting as guests.

The Chair began the meeting by introducing a policy recommendation regarding the recording of the Board meetings. She proposed that the recordings would reside with the Secretary for the sole purpose of assisting with the drafting of the minutes and would be erased upon completion of the minutes. Mr. J. Walker Kirby, Jr., made a motion to approve the recordings of the meetings, Ms. Leigh Kirby Klein seconded, and it was carried.

The Chair then introduced Mr. Nick Tedesco, President & CEO, National Center for Family Philanthropy. Mr. Tedesco gave a brief overview of his background and then asked the members of the meeting to introduce themselves. He then began his presentation titled Family Philanthropy: Success Across Generations. Highlights of the presentation included the three approaches to branch representation on a Foundation Board which include: 100% branch representation, branch representation with asset-based appointments and 100% asset-based appointments. There was discussion amongst the group regarding these approaches and how to determine which one makes the most sense for different Foundations. Additionally, he reviewed the three phases of successful next generation engagement which included: laying the groundwork, completing effective onboarding and continuing to grow together. As part of the discussion of how to continue to engage and encourage non-Director family members in the Foundation, Ms. Jane Kirby recommended that the Board consider encouraging guests to participate on the Foundation Committees. Currently, only the Investment Committee has non-Director guests. The group thought that would be an effective way to have the younger generation become actively involved as they go through the onboarding process. The Chair thanked Mr. Tedesco for his time, and he exited the Zoom call.

Mr. Kiczek then noted that a summary of the NCFP Programs and Services offered to all family members was distributed to the group. This includes webinars, conferences and cohort learning. Mr. Kiczek stated he would send all Directors and guests log-in information to access all the resources and services offered by the NCFP.

The Chair then proceeded with the agenda and asked for a motion to approve the minutes of the meeting of the Board of Directors held April 26, 2024. Mr. S. Dillard Kirby motioned to approve the minutes, Mr. J. Walker Kirby, Jr., seconded, and the motion was carried.

Mr. Kiczek then proceeded to give an update on the “Innovation Engine” grants initiative. The initiative was inspired by the concept originated by Bain Capital, who used it as a way of framing how leadership teams must focus on the core business (Engine 1), while also dedicating resources to research, development, and innovation (Engine 2). Mr. Kiczek noted how the Foundation has a strong Engine 1, and that the Innovation Engine initiative would assist in developing its Engine 2. By partnering with CASE to produce webinars for the Foundation’s grantees and the broader nonprofit community, the Foundation helped lay the groundwork for this initiative. Additionally, the Foundation consulted with different grantee organizations and several other trusted partners to refine the concept. Mr. Kiczek outlined the eligibility requirements for participation and shared that approximately 100 to 125 grantees will be eligible to participate based on the preliminary requirements. He also noted that applicants will be required to submit separate applications for this initiative through the grant portal and that the awards would be paid out over a three-year period. The proposed budget for the project is \$300k per year for 2025 through 2027, totaling \$900k. Mr. Kiczek anticipates there to be three to six awardees with grants ranging from \$50k to \$100k per year. He also noted that he envisioned a collaborative finalist review that would include both staff and Board members to select the

awardees. He then reviewed the tentative timeline for the rollout of the initiative with a target of awarding the prizes after the September 2025 Board meeting. Mr. Kiczek noted that he is excited by the possible returns on investment with the program, helping organizations grow and innovate. There is also an expected "return on learning" from the process, which would help the Foundation and the sector at large continue to develop through their Engine 2 initiatives. Upon completion of Mr. Kiczek's presentation, participants of the meeting had the opportunity to ask questions. Some highlights discussed during this session included: the Foundation will be hiring a consultant to help with the implementation of this initiative, a cost that will be budgeted for separately; the awards are specifically for new strategic/innovative projects and would not be used towards general operating support; and a total of ten finalists are estimated to be presented for Board and staff review.

Mr. S. Dillard Kirby, Chair of the Investment Committee then provided an update on the Investment Committee activities since the last Board meeting. The endowment was valued at \$367.1M as of July 31, 2024, up approximately 7.3% year-to-date on a time-weighted basis. He also mentioned the solid performance for August 2024 will result in a year-to-date return of approximately 9.55% based on preliminary figures. He noted Mr. J. Walker Kirby, Jr., presented a thorough analysis of "Building a PE Portfolio" to the Investment Committee over the last two Investment Committee meetings, which culminated in the Committee's approval of committing \$16M to the Collier International Partners IX Fund. The first capital call for this investment is expected to occur in September 2024, totaling \$2.9M. Mr. S. Dillard Kirby also reminded the Board of the private equity commitment made earlier in the year with Hamilton Lane in the amount of \$16M. There have been no capital calls for this investment to date. He noted that the deliberate way in which the Investment Committee is investing in private equity is anticipated to help increase the Foundation's portfolio returns over the years while maintaining the liquidity

necessary for operations. He concluded by stating that it is a joy to see the next generation actively engaged in the Investment Committee meetings. Ms. Virkler thanked Mr. S. Dillard Kirby for his report.

The Chair referred the Board to the Cumulative List of Approvals of Management from April 1, 2024 through August 31, 2024, of \$75,000 or less included in the Board package. The staff provided highlights on a few grantees in this category including Durham Arts Council (Ms. Beviglia); Institute for Justice (Mr. Cucchiara); A Lotta Love (Ms. Crowley). The Chair asked if there were any questions regarding these grants. As there were no questions, the Chair asked for ratification of the grants of \$75,000 or less approved by management from April 1, 2024 through August 31, 2024. Mr. F. Morgan Kirby, IV made a motion to ratify these grants, Mr. S. Dillard Kirby seconded, and the motion was carried.

The Chair then referred the Board to the Cumulative List of Referrals to the Board for April 20, 2024 through August 31, 2024, reflective of grants in excess of \$75,000 included in the Board package. The staff provided highlights on a few grantees in this category including The Raptor Trust (Ms. Crowley) and Cold Spring Harbor Laboratory (Ms. Beviglia). The Chair asked if there were any questions regarding other referrals to the Board. Mr. S. Dillard Kirby asked Ms. Beviglia for clarification regarding the grant for UNOS laboratories and the consequences of the investigation related to the Organ Procurement and Transplantation Network (OPTN). Ms. Beviglia stated that the Foundation's support of UNOS is for their laboratories, which are separate from the OPTN contracts, so there is no risk to our current grant related to the investigation. Ms. Beviglia mentioned she will continue to follow the results of the investigation closely. As there were no other questions, the Chair asked for ratification of the referrals to the Board from April 1, 2024 through August 31, 2024, in excess of \$75,000. Mr. J. Walker Kirby,

Jr., motioned to approve these grants; Mr. F. Morgan Kirby, IV seconded and the motion was carried. The aforementioned lists are attached hereto as part of the minutes.

The President then reviewed the Old Business portion of the agenda. He asked Ms. Beviglia to give the Board an update on Lafayette College. She informed the Board that the presidential debate would not be held at the Allan P. Kirby Center, but Lafayette would still proceed with the civic and artistic events that were planned. She also informed the Board that the \$1M released from reserved for future decision fund, approved at the April 23, 2024, Board meeting, was used to replace the HVAC in the gym. The Foundation will be credited this amount towards the 200th anniversary campaign. Mr. Kiczek then informed the Board that during the last meeting with Lafayette leadership in August, they expressed an interest in shifting the Foundation's endowment funds out of a separately managed investment account into a general endowment account. The restrictions placed on the original endowments prohibit the funds from being invested in private equity and other investment opportunities that the general accounts are benefitting from. The Lafayette leadership team has committed to locating the original endowment documents so that the restrictions may be reviewed, which will help navigate how to proceed. Mr. Jefferson W. Kirby added that current accounting systems make it easier to track each endowment and report on its performance even though they are being managed as part of the overall endowment investment, thus eliminating the need for maintaining separately managed accounts.

The Chair then began the New Business portion of the agenda. She proposed a tentative date of May 9, 2025, for the first Board meeting of 2025 to be held at Wake Forest. Ms. Benson then reviewed the Outstanding 2024 Grants List which was disseminated to everyone. She noted that an email will be sent via the GivingData portal, from Ms. Wanda Miroslava Peguero,

informing the grantees listed that the deadline for grant submission is October 31, 2024. She also noted that as of today's meeting a total of \$11.7M of grants have been approved for payment and she anticipates the Foundation will be advancing pledges to hit the 2024 target for grant payments. Ms. Beviglia then informed the group that the next Lunch and Learn will be held on Tuesday, October 8, 2024, at 12:30 p.m. Professor Michael Lamb, the F. M. Kirby Foundation Chair of Leadership and Character at Wake Forest, will be discussing the importance of virtue, ethics and character development in educating the next generation of moral citizens. She also noted that the Foundation will be inviting our education grantees and select public affairs grantees. Mr. Kiczek then discussed the next agenda item and informed the Board that the Foundation will be including grant agreement letters with the grant payments in lieu of inserts. These letters will provide our grantees with a clear outline of our expectations regarding the grant terms. He noted that Ms. Wanda Miroslava Peguero spearheaded the creation of the agreement letters, and he invited her to discuss the details. Ms. Wanda Miroslava Peguero stated that the goal in creating these grant agreement letters was to ensure the Foundation's intentions regarding grants are properly outlined and communicated. She noted that a countersignature is not required for the letters as the deposit of the grant check will serve as acceptance of the terms and conditions of the grant. Ms. Miroslava Peguero also thanked Ms. Sandie Sherman for her legal guidance and feedback on the letters, which were extremely helpful in producing the final product. The goal is to roll out the grant agreement letters in October 2024.

The Chair then proceeded to discuss the details of the December 13, 2024, Board meeting. She proposed the meeting be held at a grantee location in New York City as a family gathering is planned for that very same night. Everyone agreed.

The Chair excused Ms. Benson, Ms. Crowley, Ms. Beviglia, Mr. Cucchiara, and Ms.

Wanda Miroslava Peguero from the meeting at 5 p.m. so the Board could engage in a conversation with the President. Mr. Kiczek shared updates about the overall team in light of recent transitions and hiring. He answered questions on team collaboration, retention, and office space. Mr. Kiczek was then excused so the Board could hold a brief executive session, which included family “guests.” There were no questions during this session, so the meeting was concluded.

DRAFT