



THE OTTAWA JEWISH COMMUNITY FOUNDATION
MEETING OF THE BOARD OF DIRECTORS
Investing in Our Future

THURSDAY DECEMBER 14, 2017
MINUTES

Minutes of a Meeting of the Board of Directors of THE OTTAWA JEWISH COMMUNITY FOUNDATION (the 'Foundation') held at the head office of the Foundation at 4:00 PM on Thursday December 14, 2017 in the Boardroom of the Soloway Jewish Community Centre, 21 Nadolny Sachs Private, Ottawa, Ontario K2A 1R9.

<u>PRESENT:</u>	Michael Landau (Past Chair), Mitchell Leitman, Adina Libin, Sandy Pollack, Lorne Segal, Lawrence Soloway, Gillie Vered (Chair), Debbie Weinstein (phone), Lawrence Weinstein, Ken Wright
<u>STAFF:</u>	Andrea Freedman, Micah Garten, Leslie Kaufman, Judith McKenney
<u>APOLOGIES:</u>	Paul Finn, Jonathan Ben-Choreen Freedman, Fred Seller

MEETING CALLED TO ORDER:

Gillie Vered called the meeting to order at 4:07 PM and welcomed all in attendance.

APPROVAL OF THE 2018 BUDGET

Judie McKenney presented the proposed budget for 2018. The budget is set at \$604,531 which is a 4.6% increase from the previous budget. This results in a cost ratio of 0.96% per average capital dollar invested. Salaries are at \$426,601 which represents a 2.3% increase from the year before. Professional fees increased by \$22,500, which is a one-time increase for this year for the new software solution. All other costs remain consistent with the 2017 budget. Insurance program subsidies remain the same as previous years.

Questions were raised regarding salaries. It was decided that the numbers would be confirmed and an update or explanation would be distributed to the board.

A motion to approve the budget was made contingent upon review of the salaries.

Moved by: Adina Libin
Seconded by: Lorne Segal
Motion Passed

APPROVAL OF MINUTES:

Gillie asked if there were any questions arising from the meeting minutes of October 26th, 2017. No questions were raised and a motion to approve meeting minutes was made.

Moved by: Lorne Segal
Seconded by: Sandy Pollack
Motion Passed

RETREAT FEEDBACK

Gillie asked for feedback from the retreat. Some members commented that they filled out the survey, but overall they found the retreat to be invaluable. They were impressed with the representatives from the agencies

we visited and felt as though they learned a lot.

PRESIDENT'S REPORT & NEW COMMITMENTS REPORT:

Andrea presented some updates to the board.

1. Database project. Andrea noted that she will have a more fulsome update at the January meeting, as there continues to be some roadblocks to successfully completing this project. The test environment has been set up which is a critical step to completing this project. We are expecting to announce our go live date in January.
2. Bequest gift. Andrea met with a representative from the family who left a bequest gift. The Ottawa Jewish Bulletin will be doing a profile on the family to publicize the gift and hopefully use it as an example to persuade others to consider leaving legacy gifts.
3. New Commitments Report. Andrea noted that we are going to achieve the vast majority of our metrics by year end. However, the Foundation did not secure the number of legacy gifts or 1:1 meetings. Micah will ensure the board is actively engaged in fundraising. Questions were raised regarding the whiteboard video that was sent out, specifically with regard to metrics that reflect the engagement (opens and views). Micah agreed to assess and report the findings to the board at a future meeting.

All questions were answered to the board's satisfaction.

FINANCIAL AND INVESTMENT UPDATE:

Judie McKenney provided an update on the Foundation's financial and investment activities. The Investment Committee met with our advisor BNY Mellon on November 13th, 2017. BNY spoke of several economic developments that are affecting the market such as:

1. Canadian dollar appreciation
2. Rising interest rates by the Bank of Canada
3. Increased equity valuations as global equities continue to push higher and set record highs
4. Historically low volatility despite geopolitical risks occurring
5. Consumer sentiment within the market has climbed higher during the year.

Judie then presented BNY's portfolio overview. Investments currently stand at slightly over \$61M comprised of 36% cash and fixed income, 20% Canadian equities, 30% global equities and 14% alternative investments. We have had \$1.2M contributed during the year and allocated \$2.6M. The year-to-date return on our investments is 4.9% or \$2.9M as of September 30, 2017. This is in line with BNY's prediction that returns would be in the middle single digits for this year.

Questions were raised regarding the amount of fixed income in the portfolio. Judie mentioned that the Investment Committee is discussing this also. Andrea noted that the Federation board will be exploring options to invest some of its reserve funds in a managed fund with the Foundation.

All questions were answered to the board's satisfaction.

FLOW THROUGH SHARES FOLLOW UP:

Sandy Pollack presented on flow-through shares. Flow-through shares are a way to invest in mining companies and resource companies. These companies get tax credits from the Federal Government by spending money in research exploration development. Those tax credits are flowed through the purchasers of these "shares".

Significant tax credits made these very popular in the last few years. However, tax laws have changed in Ontario which makes this way of giving not as accessible as it once was. In order for this type of giving to work, the donor has to have a significant income.

Sandy and Mitchell met with Jeff Miller to discuss whether or not this was a cost effective way of giving. Jeff explained at their meeting that if someone wants to buy flow-through shares and make a \$50,000 donation, they would need to have a personal income of \$520K or \$950K in eligible dividends. They would have to be an accredited investor, which is someone with a net worth in seven figures, and have cash in the bank ready to react within 24 hours. The Ottawa market for flow-through shares is small, and, for the most part, the people

who would be interested in flow-through shares have already done it.

All questions were answered to the board's satisfaction. The general agreement was that these can be presented for consideration to specific donors on a case by case basis.

LIVING LEGACY UPDATE:

Andrea presented the Living Legacy update. The working group of Gillie Vered, Fred Seller and Richard Roth met to review and make a recommendation that the board consider a policy for Customized Endowment Funds that would give donors the right to allocate at a higher rate than the standard 3.5%. If adopted, the committee recommends the following caveats;

1. This would be available for new Endowment Funds at \$100,000 or more. This would not apply to existing funds.
2. In year one, 50% of the capital could be spent, with the remaining 50% distributed over a period of up to 10 years.

A concern was raised that members of the community might be upset that this new policy does not apply to existing endowment funds. It was agreed that changing the allocation percentage for existing Endowment Funds might satisfy these donors. A proposal to increase the current percentage of allocations from 3.5% to 4 or 4.5% will be presented at the February board meeting.

A motion was made to adopt the recommendation of the working group to allow new endowment funds valued at \$100,000 or more to allocate at a higher rate with the conditions as noted on the proposal.

Moved by: Lawrence Soloway
Seconded by: Mitchell Leitman
Motion Passed

WCPP TERMS OF REFERENCE:

Leslie Kaufman presented the WCPP Terms of Reference. Leslie noted that the committee has not been as successful as they would have liked in succession planning to build the next generation of leaders for the collective. Most of the members of the committee have met or exceeded their maximum terms as defined in the Terms of Reference; however the WCPP's terms allow for fewer years of service than the other Foundation committees. The committee has made a commitment to focus on succession planning but to do so requires more time. They would like to make a change to allow committee members to serve a maximum of four consecutive 2-year terms.

A motion was made to approve the change to allow committee members to serve a maximum of four consecutive 2-year terms.

Moved by: Sandy Pollack
Seconded by: Mitchell Leitman
Motion Passed

FUNDRAISING AND HOW TO START A CONVERSATION:

Micah Garten presented the Fundraising update, referencing the New Commitments Report. He noted that he amended the report with a list all of the new funds opened since the beginning of the year, highlighting the ones opened since the last board meeting in October.

Micah also discussed the metric for Prospects on the Pipeline. He noted that he would like to change the discussion and bring forward the names of four potential prospects. Some knowledge about these prospects was gathered and will be helpful in determining where they fit on the pipeline.

Micah went on to discuss the question list for "How to Start a Conversation", in response to questions raised by the Fundraising and Outreach Committee meeting about what prospecting entails. He noted that options for

giving vehicles can be presented once the passions of the donors are understood. The board provided their feedback on the list of questions. They noted that the meeting should be a conversation instead of a script. The questions can guide the discussion and provide direction, but the canvasser should rely on the conversation as their strategy to find out what the donor's passions are and what they want to see for the future of the community.

All questions were answered to the board's satisfaction.

GOOD AND WELFARE:

Gillie thanked the members of the board for sitting for the last 6 months. He invited the board to submit agenda items for future meeting.

Gillie congratulated Fred on the marriage of his daughter, and wished everyone a Happy Chanukah.

ADJOURNMENT:

Gillie thanked everyone for their participation and the meeting was adjourned at 5:48 PM.

Moved by: Lawrence Soloway

Seconded by: Sandy Pollack

Motion Passed