

Meeting of the Board of Directors of the Wells Foundation

September 8, 2019

Present: Harriet McCleary, Nancy Arguedas, Martha Hoover, Gene Sandler, Bill Nelson, Lee Brant, Barbara Hanson, Inez Bergquist, Karen Sandness

The meeting was called to order at 12:15PM.

The minutes from the last meeting were discussed. Inez Bergquist is going to check on the status of insurance on the Board. The minutes were accepted as amended.

Martha Hoover gave the Treasurer's report. We have decided to take a conservative approach to budgeting and give less grant money (\$74,000 instead of \$90,000).

The Foundation's assets have been transferred from the St. Mark's Foundation to Wells, and the Finance Committee has decided that we will not touch the principal of the endowment of \$1.4 million (\$1.2 million from St. Mark's Foundation, \$200,000 from Wells Fargo).

It was moved and seconded to spend only the income from the endowment on grants and not to touch the principle going forward. In the ensuing discussion it was clarified that the amount to be granted will vary depending on the economy. The motion passed unanimously.

The proposed budget for July 1, 2019 to June 30, 2020 was approved unanimously.

The tax return has been completed, and the 990 and report to the Attorney General were approved unanimously.

Inez Bergquist outlined the problem with the money from the Harrington Trust. It appears that the late Mr. Harrington intended part of his bequest to go to the Wells Foundation, but the money has been funneled through St. Mark's. However, we have not received anything from the Harrington Trust since 2011. Starting in 2000, the Wells Foundation's portion of the Harrington Trust income was used to subsidize the cathedral's Sunday Night Supper, but now the Wells Foundation is receiving nothing. The Harrington Trust money currently resides in the Minneapolis Foundation.

The questions are: Should we ask for funds in arrears? Should we ask for a refund over time? Or should we just be satisfied with receiving what we are owed going forward?

Lee Brant spoke for the first option, and Nancy Arguedas agreed, but starting with the next payments and gradually making up the difference over time. Inez Bergquist said that the first order of business was to find out exactly how much money is involved. Barbara Hanson noted a problem, namely that the Harrington will states that the vestry of St. Mark's is supposed to allocate the funds. However, we now have a different vestry from the one that decided to withhold the funds.

Gene Sandler asked if it was a problem that the original bequest was to the Wells settlement house, which no longer exists. However, the Wells Foundation is the successor to the settlement house, and its mission has changed.

Inez Bergquist found documentation that stated that former Dean Fontaine suggested giving the Wells Foundation full control of its portion of the Harrington bequest.

Alex Bakkum from U.S. Bank Charitable came to speak to the Board at 1:00PM. The Finance Committee of the Board is discussing an investment policy statement with him. The purpose is to achieve maximum growth with minimum volatility. It has been easy in recent years, but circumstances have made markets more volatile lately. U.S. Bank can also provide advice on fundraising.

Inez Bergquist asked what would happen if the economy worsened enough that we would have no income. Alex Bakkum explained the reasons that there would always be some income, but that the total income might fluctuate.

Inez Bergquist asked about taxes.

Alex Bakkum explained that since Wells Foundation is a 501(c), there are no capital gains taxes.

Gene Sandler asked if we could direct our funds away from certain investments. Alex Bakkum replied that it is possible to direct investments away from certain obviously problematic companies or bonds, but it sometimes happens that a company's subsidiary is involved in undesirable activities. Values-based investing is a rather new idea, so financial institutions are still finding their way.

Getting back to the Harrington Trust, the Board formulated a plan of action: 1) We want the eight years' worth of money returned to us, 2) They can return it incrementally, 3) We would like to receive our portion going forward, preferably starting before the end of the year.

Martha Hoover will meet with Paul Lakeman, and Inez will contact Paul Anton.

Barbara Hanson noted that some grantees did not respond either way to requests to come to our spring forum. Haven Housing and the Family Partnership will come to speak in a forum on October 20 at 12:00PM.

Nancy Arguedas reported on publicity efforts. Grantees have been grouped together, and two or three are featured in the weekly bulletin at any one time. Publicity efforts this fall will focus on the forum and the Veterans' Day Concert and will take a multimedia approach, including community and parish media.

Other preparations for the Veterans' Day Concert: the general who has spoken at previous

concerts is coming, St. Stephen's and Assistance Council for Veterans, the organizations that receive the proceeds from the concert, have been contacted, and Kathy Goodale has been contacted about providing a grant.

Lee Brant expressed thanks for all the efforts Inez Bergquist has made.

The meetings was adjourned at 1:25 PM.

Respectfully submitted,
Karen Sandness
Secretary