

**DULUTH LEGACY ENDOWMENT FUND
PROJECT GROUP MEETING
Thursday, March 9, 2006 - 3:30 p.m.
Room 402 - Fourth Floor, City Hall**

MEMBERS PRESENT: Abbot Apter, Brad Beckman, Sandy Hoy, Peter Sneve, George Goldfarb, Melissa Kadlec

EXCUSED ABSENT: Althea McBurrows, Nancy Norr, Dr. Robert E. Powless, Greg Gilbert, Ken Hogg

STAFF PRESENT: Keith Hamre, Community Development Manager; Joyce Ellingsen, Community Development Information Technician

OTHERS PRESENT: Holly Sampson and Becky Byers Strand, Duluth-Superior Area Community Foundation

Members present introduced themselves.

REVIEW MEMBERSHIP TERMS OF PROJECT GROUP:

Keith Hamre said the resolution he received spells out the membership terms. He distributed copies of the membership list with the terms indicated.

Hamre passed out revised minutes from the February 23 meeting. Peter Sneve asked about 10% distribution referred to in the "FIFTH" paragraph of the agreement. Holly Sampson clarified that this only pertains to money contributed by the City of Duluth. Abbot Apter noted that if individuals leave money to the City of Duluth and it is given to the Legacy Endowment Fund, it will be considered a contribution from the City. There was some discussion. Apter said it is part of the job of the Project Group to educate the public that bequests should be made to the Duluth Legacy Endowment Fund of the Duluth-Superior Area Community Foundation as opposed to the City of Duluth. There was discussion about committee members being from the City of Duluth. Keith Hamre will ask Mayor Bergson about this.

There were some minor corrections and revisions by Project Group members.

Motion by Abbot Apter, seconded by Brad Beckman, to approve the minutes of the Duluth Legacy Endowment Fund Project Group meeting of February 23, 2006, with the changes that were discussed. The motion was unanimously approved.

SELECTION OF PRESIDING OFFICER AND VICE-PRESIDING OFFICER OF DULUTH LEGACY ENDOWMENT FUND PROJECT GROUP:

Keith Hamre noted that at the February 23 meeting Mayor Bergson said he did not have a desire to select who the officers would be. He left it up to the people in the Project Group to choose the leaders.

Motion by Peter Sneve that Ken Hogg be selected the Presiding Officer.

There was discussion about the selection of officers. Holly Sampson said she talked to Nancy Norr and mentioned that the Project Group would be looking for a Presiding Officer. Nancy said because of her work schedule, she could not do this now, but maybe could in the future. There was a suggestion that perhaps Nancy would accept the position of Vice-Presiding Officer at this time. Sandy Hoy said she would help Nancy Norr if she agrees to accept the position until she is able to do it herself.

Motion by Peter Sneve, seconded by Abbot Apter, that Ken Hogg be the Presiding Officer and Nancy Norr be the Vice-Presiding Officer, with the assistance of Sandy Hoy, conditional upon the acceptance of Hogg and Norr. The motion was unanimously approved.

DISCUSSION: MODIFICATIONS TO THE DULUTH LEGACY ENDOWMENT FUND AGREEMENT:

Holly Sampson noted that the agreement was set up with the understanding that departments of the City of Duluth would be beneficiaries of the earnings of the Duluth Legacy Endowment Fund. There was discussion at the last meeting of having a broader group of beneficiaries that would include nonprofits in addition to the City of Duluth. Sampson talked about this to Community Foundation's lawyer, Richard Burns. She said if the Project Group wants to go that route, the agreement would have to be a "field of interest" agreement, which would define the City of Duluth geographically, and other groups in the City would be eligible. The Project Group must discuss what kinds of nonprofits would be eligible and what kinds of projects they would be interested in funding. A Memorandum of Understanding would be attached to the agreement and govern what organizations/projects would be considered.

Peter Sneve asked if the new contract must be approved by the City Council. Holly Sampson noted that the first agreement was approved by the City Council on July 12, 2004. Sneve said people may have difficulty giving to city departments because of problems with the City's financial condition.

There was discussion about whether the agreement should be changed and it was the consensus of the Project Group that it should for the following reasons:

- City Departments, as well as nonprofits, can apply for funds
- It will be a more efficient process
- It was the original intent of the Mayor that the Legacy Fund would be used for Duluth-based charitable activities
- It will be attractive to a broader donor base

Keith Hamre said these are all positive reasons to go to the City Council with regarding the field of interest agreement.

DISCUSSION: FUND DEVELOPMENT – PROSPECTIVE IDENTIFICATION:

Regarding a Memorandum of Understanding, Becky Byers Strand said she prepared a list of possible interest areas that could be funded. She indicated this is a broad, first tier list. A second tier would be a list of recipient examples who might apply for funding. The following is the final list of interest areas decided upon by the Project Group:

- Human Services
- Education
- Arts and Culture
- Parks and Recreation
- Beautification
- Environment

Strand and Keith Hamre will work on a list of examples for the second tier.

DISCUSSION: MARKETING STRATEGY – PREMIERE:

Keith Hamre noted that at the last meeting there was discussion about having brochures and contribution forms. There will be monthly contribution reports which will include a list of donors and a total amount and quarterly financial reports. The Fund balance currently is \$5,244.01. Earnings are already \$44. Holly Sampson said businesses that give in-kind services will be recognized.

Strand said it is crucial that 100% of the Project Group participate. She distributed pledge forms, encouraging members to think of themselves first for contributions. George Goldfarb said it would be nice to have package and vision statement for soliciting.

Strand encouraged the Project Group to think about prospects, starting with people closest to the DLEF and its mission and then moving into broader connections. She said enthusiasm is contagious. The Group needs to think big because we need a lot of money to do what needs to be done in the City. Strand said she will be doing role playing with the Project Group before solicitations begin.

It was noted that prospecting will be easier with good pre-education (commercial and public service announcement), contact with individuals, and speaking with clubs and organizations.

The agreement will be drafted and reviewed by Richard Burns and Bryan Brown and, hopefully, be on the Council Agenda either April 10 or 24. Peter Sneve said we should talk to Greg Gilbert to be leader in Council. Keith Hamre said he may have ways to speed this up. Sandy Hoy commented that the agreement is the most immediate issue and it is important that it go smoothly.

The premiere will go ahead and a Mission Statement will be prepared. Abbot Apter anticipates contributions will be over \$25,000 the night of the premiere. He noted that it may be more difficult to change the agreement when there is more money. Apter said the Project Group should try to get a feel for which councilors will support the agreement change. Sandy Hoy commented that the intent of what the Project Group is trying to do and the results are the same, the only change would be in the procedure. The change in agreement would benefit the City because it would be less cumbersome.

Keith Hamre said the most important thing is to get the agreement done and talk to people on the Council. Greg Gilbert will have some idea where questions may come. Peter Sneve said he would like to have agreement before premiere. Brad said the premiere will be in April; if we wait until summer, we will lose momentum. The consensus was to move ahead with an April date. Holly Sampson handed out packets with information about the documentary, prepared by Cindy Hayden of Lake Superior Magazine.

The meeting was adjourned at 5:25 p.m. The next meeting will be Thursday, March 16, at 3:30 p.m. in Room 402, City Hall.