

MINUTES OF NOVEMBER 11, 2013 BOARD MEETING
HIGHLAND COMMUNITY FOUNDATION, INC.

Call to Order: The meeting began at 6 PM in a first floor conference room at the Strack & VanTil Corporate Offices, 2244 45th Street, Highland, IN 46322

Roll Call:

Present - Jim Dal Santo, Patty Dunham, Kathy Grimier, Richard Krooswyk, Terry Krooswyk, Pat Popa, Ed Stone and Richard Underkofler. Adam Gawlikowski arrived at 6:30 PM.

Absent - Craig Chism, Paul Doherty (Excused), Lisa Kusiak, Cecile Petro (Excused) and Judy Vaughn

Guests - Sandra Hall Smith (Assistant Director, IUN Center for Urban & Regional Excellence) and Trish Alt (Trish Alt Consulting, LLC)

Minutes: Motion made by Patty Dunham to approve the minutes of the meeting held September 16, 2013. Motion was seconded by Ed Stone. Motion passed unanimously.

New Member: Motion made by Richard Underkofler to approve Richard Garza, Jr. as new member for a term expiring January, 2016.

Application for 501(c)(3) Tax Exemption: Our application was assigned November 5^h for review by IRS representative Yvonne Liggett @ (513) 263-3687. Our tax return on Form 990N (an E-postcard) will normally be due by the 15th day of the fifth month following the end of our fiscal year; but this year it won't be accepted until December 19, 2013 according to a November 7th phone conversation between Richard Underkofler and an IRS representative named Mr. Benton (I.D. #0571086) @ (877) 829-5500.

Oktoberfest Wrap-Up Report: Richard Underkofler presented a report summarizing financial results; the estimated cash now available for our initial project and other operation; some suggestions about how we might improve subsequent Oktoberfest events; and "the way forward". *Postscript: Information contained in this report is updated as of November 14th.*

Financial Results:

Income:

- Income was \$12,507.42 after expenses of \$6,844.98. The income from last year's event was \$15,109.95.

Revenue:

- Total revenues were \$19,352.40 compared to \$20,687.50 last year.
- Ticket sales were \$11,675 compared to \$11,050 last year. The price of tickets was \$85 both years. Our goal was to sell 200 tickets, but we sold only 137. Twenty complimentary tickets were distributed, 18 were claimed. Complimentary tickets were not given last year.

- This year’s raffle and silent auction revenues were \$2,925: \$1,520 from raffle sales; \$1,405 from the silent auction. Last year’s silent auction revenues (without a raffle) were \$2,510.
- Cash from an event sponsor and donations was \$4,752.40 this year compared to \$7,128 last year. Last year, we received a \$5,000 contribution from a major sponsor.

Expense:

- Total expenses were \$6,844.98 compared to \$5,577.55 last year. The difference is attributed to increased expense for printing, the meal, rental of tables and chairs.

In-Kind Donations:

- The total value of in-kind donations increased from \$1,007 to \$2,772, primarily due to an advertising sponsorship of Times Media Company.
- Other significant increased in-kind donations were received for commemorative beer glasses, beverages, table decorations, raffle and silent auction supplies.

Fund Balances:

The estimated cash available as of October 31st for our initial project and other operating expenses is presented in the following table:

Town of Highland Capital Project Fund Balance 12/31/12	\$ 19,581.32
Less 5th Street Infrastructure Expenditure	(7,066.64)
Legacy Foundation Operating Fund Balance 10/31/13	27,379.92
Standard Bank Operating Fund Balance 10/31/13	7,264.87
Total Unencumbered Fund Balance	\$ 54,226.11

Improvement Suggestions:

1. Cecile Petro and Jim Dal Santo suggested a better worksheet form is needed to account for ticket payments. It was difficult for them to expediently collect checks and cash and account for ticket buyers as patrons appeared at the registration table. Cecile would like to see a listing by the number of the ticket and who sold them. “People attending the function came with tickets, so we had the number, but we were flipping pages to find who sold them. A listing by number would be very helpful and expedite the check-in process”.
2. Ed Stone secured equipment from Standard Bank to receive bankcard payments for silent auction items, but no one asked to use a bankcard.
3. Adam Gawlikowski urged doing better at cultivating and securing contributions from potential “major” donors. *Postscript after this meeting, Adam offered his home as a venue for hosting a fundraising event for potential major donors.*
4. If we are going to be serving less than 200 meals in the future, Underkofler suggested considering a Lincoln Center venue. Space for dancing has not been needed. The Lincoln Center would be less expensive because tables and chairs are included in the banquet hall rental price. Negative comments re-occurred about using the Hammond Visitor Center venue.
5. Presenters for a subsequent board training session (Trish Alt and Sandra Hall Smith) listened to the report and comments from our members regarding the event. Trish

reported most nonprofits have eliminated fundraising event tickets entirely and use RSVP's instead. Trish suggested a project fundraiser should be more "mission focused" at a project site.

6. Patty Dunham and Pat Popa suggested having a fundraising event at the 45th & 5th Street site, which Trish supported for adding public enthusiasm for the project.

Next Steps:

Underkofler's report concluded we may have approached the limit of the Highland business community's generosity for the initial project. Other sources of revenue will be needed to underwrite the project cost estimate and/or we will need to reduce the scope of the project. We will begin to sell engraved pavers after we receive IRS approval for 501(c)(3) status, but the most optimistic income projection for this is \$20,000.

A public art feature, an "Ashley Ritz Memorial", is now under consideration. A sculpture has been proposed by a board committee consisting of Pat Popa, Patty Dunham and Kathy Grimler. The preliminary cost estimate is \$15,000. It would be about 16' high. Pat Popa brought small scale model to the meeting for inspection. Pat sent a rendering of the sculpture to Ashley's parents. The Ritz family loved the sculpture and the idea of a more modern abstract piece of art. They gave their approval to move forward and are prepared to get things started with a major donation for the cost of fabrication and installation. Some of our board members believe we should complete landscaping features of the 45th and 5th Street improvement before initiating a campaign for a memorial. Others believe this art feature would appeal to a different audience (e.g., Ashley's young adult peers and her teachers). They believe fundraising for both could occur simultaneously. The sculpture fundraising might even enhance the green space landscape fundraising. *Postscript: At a November 14th Highland Kiwanis presentation, club member Mike Blejski suggested providing an opportunity for inscriptions on the sculpture memorializing more young persons who died prematurely in Highland.*

Cecile Petro sent this email to all board members prior to the meeting:

"I will not be able to be present at the next meeting of the HCF because I will be out of state. I want to personally thank all of the members for their hard work at Oktoberfest. It was a success because of your hard work. I have changed my opinion of delaying the fund raising for the sculpture until we complete the landscaping features at our green space. I had hoped that we would be able to fully fund the landscaping by Spring of 2014. It would have made sense to put off the fund raising until then to show residents the progression of improvements that we were making. Unfortunately, I don't believe that we will be able to complete the landscaping features by then and we have people who are willing to contribute for an art feature now. I think we should act while we have the interest and potential contributions. Perhaps others will donate to the landscaping because of the art feature. I agree that we should seek proposals for a design/build contract and move forward as best we can with the money we have. Thank you for

considering my opinions.”

A copy of this email was distributed from Marina Mikolajczyk, a classmate of Ashley Ritz:

“I am pleased to hear that the public art feature is under consideration to honor Ashley Ritz. The proposed inscription is beautiful. I am very interested in assisting with the fundraising for this cause. If you could please send me the link to where individuals can make online donations, I would like to invite all of the Facebook supporters of Ashley's Memorial to make online donations towards this sculpture in her memory. I know that you are meeting tomorrow, so please discuss this with your board and with your approval I will set up a page for donations with the link you forward to me. Thank-you again for considering this memorial for Ashley.”

Design/Build Contract: Underkofler asked the board to consider seeking proposals for a design/build contract now, but limited by cash presently available. Then, awarding the contract to the contractor who will give us the best proposal. Terry Krooswyk made a motion to seek proposals for the design and construction of the landscaping and walkways for the initial project with the funds currently on hand. Motion was seconded by Patty Dunham. Motion passed unanimously.

Public Art Feature: Underkofler will ask Legacy Foundation, if we may establish a new fund to segregate funds received for the public art feature from other revenues in order to preserve eligibility for an income tax deduction prior to receiving approval from the IRS for our own 501(c)(3) status. Discussion was tabled regarding the public art feature until our next meeting.

Adjournment: Motion was made by Richard Underkofler to adjourn the meeting. Motion was seconded by Patty Dunham. Motion passed by unanimous consent. The meeting adjourned at 6:50 p.m.

Board Training: A training session commenced immediately thereafter and ended at 8:37 p.m.

Topics discussed with handouts included: Introductions; the Case for Support; Capital Campaigns; Fundraising Events; the Difference between Fundraising and Endowment Building; Using a Fundraising “Ladder of Effectiveness” to Prioritize Fundraising Strategies; Formulating an Implementation Plan for Development Strategies; and Consensus Building. We were encouraged to formulate updated fundraising strategies for our initial project as well as our Endowment fund.

Prior to our next development strategy session, Trish Alt asked us to begin working on an update to our fundraising strategies using her handouts as a guide which are attached and incorporated herein by reference.

Next Meetings: A special meeting to formulate strategies for our development plan is scheduled for December 4, 2013 with a follow-up board training session with Trish Alt and representatives of the IUN Center for Urban and Regional Excellence (CURE) set for January 13, 2014. Both meetings will begin at 6:30 PM and will be held in Room 112 of the Lincoln Center, 2450 Lincoln Street, Highland, Indiana 46322.

Respectfully submitted,

Jim Dal Santo, Secretary

Highland Community Foundation
Development Strategy Session
Presented by
Center for Urban & Regional Excellence at IU Northwest
November 11, 2013

Introductions:

Why are you committed to the mission of the Highland Community Foundation?

The Highland Community Foundation serves as a catalyst to connect people who care with causes that improve the quality of community life by advancing cultural, educational, economic and social opportunities, while preserving community heritage and helping donors create a permanent legacy in Highland. The Foundation is charged with organizing, coordinating and raising gifts and donations and determining the use of the same for the benefit of The Town of Highland.

The Case for Support

Capital Campaigns

Fundraising Events

The Difference between Fundraising & Endowment Building

Using the Fundraising Ladder of Effectiveness to prioritize fundraising strategies

Implementation Plan for Development Strategies

Consensus Building

Next Development Strategy Session: January 13, 2014

Making Your Case for Support

What is a Case Statement?

The case for support is a concise and compelling invitation to your potential donors to support your mission and vision. It answers the donor question ‘Why in the world would I invest my hard-earned money in your project or mission?’

Why us?

What are we doing that’s so uniquely wonderful, surprising, great?
What would happen if our organization ceased to exist?

Why now?

What’s the big hurry? What changed? Why is this crucial now?

Why you?

‘You’ is the donor. Why are donors critical to your vision? Have you made them the heroes? What are your emotional triggers?

Words of Wisdom

- The key motivator for giving is not need, but opportunity.
- The case for support is not about your organization and your need for cash. The case is about offering the donor a way to feel good. The opportunity to feel like they’ve made a difference.
- A case is not a detailed description of what you *do*. A case is a description of what you *promise*.

CAPITAL CAMPAIGNS

Capital Campaigns are designed to raise a significant amount of money for a specific project. They are strategically planned and executed in a short time frame.

TEN STEPS FOR A SUCCESSFUL CAPITAL CAMPAIGN

- 🔗 Create the Case for Support
- 🔗 Arrange for the architectural drawings/landscape plans for the project
- 🔗 Compile the budget
- 🔗 Conduct a Feasibility Study to determine community commitment & assess organizational capacity to implement the campaign; this step is critical to success
- 🔗 Create a Capital Campaign Committee that includes board members and external community leaders and volunteers
- 🔗 Develop a Capital Campaign Strategic Plan; identify recognition opportunities
- 🔗 Implement the Capital Campaign Plan by making the individual ask; major gift solicitation typically involves donors you know
- 🔗 Solicit support from corporations, foundations & civic organizations
- 🔗 Plan a Kick Off Event when 75% of the goal has been reached to announce the campaign to the general public; solicit donations of under \$250.
- 🔗 Celebrate your success and thank your donors

FUNDRAISING EVENTS

The special event is the most misused of all fundraising strategies. While special events are typically included in an overall fundraising plan, it is critical to understand that raising money is only one purpose of a special event and it is probably the least important.

- ⌘ Publicity is the main benefit of an event
- ⌘ Expanding your donor list
- ⌘ Creating visibility for your organization
- ⌘ Recognizing donors
- ⌘ Motivating board members and major givers
- ⌘ Recruiting volunteers & future board members
- ⌘ Collaborating with other organizations to build relationships
- ⌘ Utilizing volunteer skills and interests
- ⌘ Raising money

CRITERIA FOR PLANNING A SPECIAL EVENT

- ⌘ The event must be mission centered to create impact, otherwise it is only a party.
- ⌘ Who is the target audience?
- ⌘ What do you want to motivate them to do?
- ⌘ Could you reach the audience through another less labor intensive strategy?
- ⌘ What will entice your audience to attend?
- ⌘ What ticket price is this audience willing to pay?
- ⌘ How will you evaluate the effectiveness of the event?
- ⌘ How will you turn event attendees into donors?
- ⌘ How will you track your return on investment?

THE DIFFERENCE BETWEEN FUNDRAISING & ENDOWMENT BUILDING

Fundraising Strategies

- ❖ Small Gift Amounts
- ❖ Gifts from Discretionary Income
- ❖ Annually Solicited
- ❖ Impersonal Donor Contact
- ❖ Minimum Education about Mission
- ❖ Modest Donor Commitment
- ❖ No Permanent Donor Relationship

Endowment Building Strategies

- ❖ Large Gift Amounts
- ❖ Gifts from Assets
- ❖ Infrequent Solicitation
- ❖ Major Donor Contact
- ❖ High Education about Mission
- ❖ High Donor Commitment
- ❖ Permanent Trust in the Organization

FUNDRAISING LADDER OF EFFECTIVENESS

Donor Solicitation Strategies

1. Personal: face-to-face Teams of two One person
2. Personal letter on personal letterhead With phone follow up call Without phone follow up call
3. Personal phone call With letter or email follow up Without letter or email follow up
4. Personalized letter Handwritten note on form letter
5. Social Media Facebook, Twitter, LinkedIn
6. Impersonal letter – direct mail Dear friends salutation
7. Impersonal phone call Phone-a-thon or telemarketing
8. Fundraising Event Special event to raise awareness
9. Door to door Volunteers leave printed materials
10. Print Media Advertising in publications Articles in newspapers

Giving USA Report: Highlights from 2012 Giving

- ⌘ Foundations granted 15% of charitable gifts
- ⌘ Bequests accounted for 7% of charitable gifts
- ⌘ Corporations donated 6% of charitable gifts
- ⌘ Individuals gave 72% of charitable gifts

② Increase of \$8.67 billion in individual gifts

HIGHLAND COMMUNITY FOUNDATION STRATEGIES TO RAISE \$500,000

Goal: To raise \$350,000 in 5 years to build an endowment fund for philanthropic projects

Strategy	Assigned To	Outcomes/Next Steps
Objective 1.1: Convene donors, board members & community leaders to evaluate community potential to build an endowment fund		
Strategy 1.1.1 Engage an external consultant to facilitate the process		
Strategy 1.1.2 Ask the question 'What would happen if the Highland Community Foundation ceased to exist?'		
Objective 1.2: Evaluate the board's capacity to raise endowment gifts; create an Endowment Committee		
Strategy 1.2.1: Conduct a Board Self Assessment for Fundraising		
Strategy 1.2.2: Utilize a Board Fundraising Commitment to identify individual board member participation in building the endowment		
Objective 1.3: Create an Endowment Strategic Plan		
Strategy 1.3.1: Schedule an Endowment Building Workshop		
Strategy 1.3.2: Educate the board about best practice strategies for building an endowment		
Objective 1.4: Draft an Endowment Case for Support		
Strategy 1.4.1: Answer the questions: Why us? Why now? & Why you?		
Strategy 1.4.2: Design endowment specific collateral materials		
Objective 1.5: Launch a Basic Wills & Bequest Program		
Strategy 1.5.1: Prepare collateral materials; identify strategies to promote the program; update the website		
Strategy 1.5.2: Meet with professional advisors in Highland to engage their support		

HIGHLAND COMMUNITY FOUNDATION STRATEGIES TO RAISE \$500,000

Goal: To raise \$150,000 in one year to fund a green-space landscape improvement project

Strategy	Assigned To	Outcomes/Next Steps
Objective 2.1: Convene a Focus Group of Donors to seek feedback on current fundraising activities		
Strategy 2.1.1: Engage a fundraising consultant to conduct the conversation		
Strategy 2.1.2: Analyze the information generated & make recommendations		
Objective 2.2: Evaluate the potential return on investment of current fundraising activities		
Strategy 2.2.1: Use the Fundraising Ladder of Effectiveness to set priorities		
Strategy 2.2.2: Explore new ideas for expanding the donor database; Create partnerships with civic & business organizations		
Objective 2.3: Create an implementation plan for completion of the green-space landscape improvement project		
Strategy 2.3.1: Create a Fundraising Committee with board & community members		
Strategy 2.3.2: Engage younger members of the community to assist with fundraising		
Objective 2.4: Draft a Capital Campaign Case for Support		
Strategy 2.4.1: Answer the questions: Why us? Why now? & Why you?		
Strategy 2.4.2: Design specific collateral materials to accompany current drawings & paver project		
Objective 2.5: Draft a budget for the entire green-space landscape improvement project		
Strategy 2.5.1: Identify all components of the project and the detailed costs		
Strategy 2.5.2: Provide donors with options for designating how their gift will be allocated; identify donor recognition opportunities		