

**MINUTES OF MEETING OF BOARD OF DIRECTORS  
OF THE REACH FOUNDATION  
September 17, 2020**

**Attendees:**

Arif Ahmed	Jerrihlyn McGee
Guy Collier	Wendy Neal
Fabian Gayosso	Todd Pleimann
Katie Ferro	Joe Reuben
Angela Harse	Heather Samuel
Tom Handley	Jim Sanders
Danielle Jones	Brenda Sharpe, ex-officio
Kevin Klamm	Lisa Thurlow
Jon Marshall	

**Not in attendance:**

Lynette Sparkman-Barnes

**Guests:**

Mike Engle, BKD	Carla Gibson, REACH Staff
Kathryn Evans, Rooted Strategy	Pattie Mansur, REACH Staff
Becky Benak, REACH Staff	Glory Olson, REACH Staff
Mathew Davis, REACH Staff	Jo Yun, REACH Staff
Dawn Downes, REACH Staff	

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Welcome

The meeting was called to order by Chair Jon Marshall at 4:01 p.m.

Foundation Business

Jon Marshall thanked Carla Gibson for her leadership on the black-led organization engagement underway, as well as REACH Board members Danielle Jones, Jerrihlyn McGee, and Lynette Sparkman-Barnes for serving as the ad hoc advisory group on the project. Jon then welcomed guest Kathryn Evans, president of Rooted Strategy and consultant working with REACH on the black-led organization project, and asked Carla Gibson to introduce Kathryn to the Board and guests.

Kathryn Evans gave an overview of the program, discussed the goals of the strategy, and asked for feedback. She then led a discussion to explore how the Board can support the successful implementation of this strategy.

Foundation Business Consent Items

Jon Marshall noted the items on the Consent Agenda, including board meeting minutes for June 25, 2020; May, June, and July Financials; Cambridge Associates Investment Consulting Contract, 2021 Core Operating Partner Grants report; and the 2020 Johnson County CARES Act Fund Intermediary Opportunity, have been reviewed by their respective committees and recommended for approval. Tom Handley moved to approve all items on the Consent Agenda as presented and Arif Ahmed seconded the motion. Motion carried.

Foundation Business

Jon Marshall welcomed Mike Engle of BKD, the Foundation's outside audit and tax preparer, to provide a review of the Foundation's IRS 990 and 990T Tax Returns, and to address any questions from the Board.

Jo Yun explained Mike Engle's role in the tax return process. Mike noted the return is a public document which is available online and that REACH follows best practices and meets all federal regulatory requirements. He provided a high-level overview of the information gathered for the tax return, tax preparation process, and review process. He noted the tax returns were reviewed with the Finance Committee earlier in the week in more detail. The Finance Committee recommends approval by the Board.

Mike provided the Board with an overview of the 990 and a summary of relevant information including governance, management, and policies. He highlighted significant disclosures and where in the document those can be found. Mike asked for questions and discussion. None were noted. Heather Samuel moved to approve the 2019 Form 990 and 990T Tax Returns as presented and Jerrihlyn McGee seconded the motion. Motion carried.

#### Executive Committee Report

Jon Marshall stated that printed copies of the Conflict of Interest disclosure forms as well as the current grantee and vendor lists were provided to all board members and staff for completion. The disclosure forms were inadvertently omitted from the board materials. Brenda Sharpe noted Glory Olson will forward via email to all board members immediately following the meeting.

Brenda Sharpe noted there will be six vacancies on the board due to term limits and reported Heather Samuel will have fulfilled her maximum two terms on May 31, 2021. Five other incumbents—Ferro, McGee, Neal, Pleimann, and Sparkman-Barnes—are each eligible to reapply for a second, three-year term. The CAC met in August and reviewed the upcoming board vacancies. A press release is being prepared on behalf of the CAC and should be ready for distribution in mid-October. The link to the online application will be live on the REACH website at the same time. Jon Marshall reported the Executive Committee identified the areas of experience and skills needed following upcoming vacancies include nominations of Native American and Indigenous individuals, Black males, and Hispanic individuals; individuals from Allen, Cass, Jackson, Lafayette, and Wyandotte Counties; individuals with institutional investment experience and expertise; finance; and other diversities such as disabilities and sexual orientation.

Jon Marshall noted the updated CAC rosters included in the meeting materials.

The next Executive Committee meeting will be held on December 17, 2020 at 3:00 p.m.

#### Finance Committee Report

Tom Handley presented the 2021 Budget Assumptions for approval. He explained the process by which the annual budget assumptions are determined by the Finance Committee. Upon board approval of the high-level spending objectives recommended by the Finance Committee, Jo will work with staff and develop the budget detail for the coming year. The Finance Committee's recommendation to the Board was a total 2021 target for programmatic and operational spending of no more than 4.9%, with adjustments of \$170k in 2021 and 2022, and \$160k in 2023 to account for the previously unbudgeted \$500k COVID response grants made in 2020. Jo Yun noted that both the Finance Committee and Program & Policy Committee will review the more detailed budget prior to Board discussion and approval at the November 19, 2020 meeting. Tom Handley moved to approve the 2021 budget spending assumptions as recommended by the Finance Committee, and Heather Samuel seconded the motion. Motion carried.

Tom Handley reported at the June 2020 meeting, the REACH Finance Committee reviewed the pricing, terms and conditions, tax issues, and audit disclosures of a potential US Bank line of credit for the Foundation. Although there was no immediate need for a line of credit, this option could potentially prevent the Foundation from liquidating investments at an inopportune time in a future economic downturn. At the August 2020 meeting and with the consultation of Cambridge Associates, the composition of the pledged assets required for the line was discussed. This pool of assets would serve as collateral for

the line and be held in a sub-account like other REACH custody accounts currently held at US Bank. The Finance Committee must approve the assets to be held as collateral. Tom Handley moved to approve the Line of Credit as presented and Todd Pleimann seconded. Motion carried.

The Insurance Policy Renewal Summary, listing all the Foundation's non-D&O related insurance policies and premiums, was included in the meeting materials. Tom Handley noted the addition of \$1 million in cyber coverage. Jo Yun noted all policies are reviewed by the Finance Committee on an annual basis to coincide with the October 1 renewal date. The Foundation's D&O policy renews in the spring and requires Board approval.

Tom Handley reviewed the July 2020 Financial Dashboard. At the end of July, investments had a value of \$126 million which is up from March 2020. Tom reported that although the investment market has been volatile, the Foundation's investment monthly return has been on an upswing since then. Brenda Sharpe noted that the Foundation achieved a milestone of \$70 million in grantmaking since the Foundation's inception.

The next Finance Committee meeting will be held on November 10, 2020 at 7:30 a.m.

#### Program and Policy Committee Report

Lisa Thurlow provided the Program & Policy Committee update. Lisa referred to the 2020 Discretionary Grant report. Staff indicate they will likely expend all discretionary funding earlier than normal this year. Lisa reported that in 2020, REACH awarded five, \$30,000 outreach and enrollment grants totaling \$150,000 to Thrive Allen County, Kansas City CARE Health Center, Health Care Coalition of Lafayette County, Budget and Financial Management Assistance (BFMA) and El Centro, Inc. These one-year grants began on September 1 and will assist approximately 9,000 individuals with benefits applications and over 6,400 individuals in enrollment. These grants are in addition to \$150,000 in investments awarded over the summer to Rodgers Health Center, Truman Health Center, and the Community Health Council of Wyandotte County, which assisted approximately 10,000 people and enrolled 7,100. The combined total of these grants is 19,000 assisted and 13,500 enrolled.

The next Program and Policy Committee meeting will be held on November 17, 2020 at 4:00 p.m.

The next Board of Directors meeting will be held November 19, 2020 at 4:00 p.m.

There being no further business, Jerrihlyn McGee moved to adjourn and Todd Pleimann seconded. The meeting adjourned at 5:49 p.m.

Respectfully submitted,  
Glory Olson, Executive Assistant