



## MEETING MINUTES

### 2022 Board Retreat & Q2 Board Meeting

Thursday, August 18, 2022 (Day 1), 12:00 p.m.

#### 1. Call to Order and Welcome

The meeting was called to order at 12:05 p.m. Teresa welcomed the Board to the 2022 ILG Board Retreat. The meeting was held in person in Sacramento.

#### 2. Roll Call

After the general welcome and ice breakers, Erica called the roll.

**Board Members Present:** Teresa Acosta, Virginia Bass, Michele Beal Bagneris, Brett Channing, Carolyn Coleman, Monica Davis, Ruben Duran, Randi Johl, Jim Keene, Paolo Kespradit, Dallin Kimble, Farrah McDaid Ting, Neil McCormick, Judy Mitchell, Blanca Pacheco, Nat Rojanasathira, Lydia Romero, Hillary Straus and Jennifer Whiting.

**Board Members Absent:** Don Bartz, Graham Knaus, Pat Martel, Richard Montgomery, Sue Novasel.

**Staff Members Present:** Erica Manuel, Karalee Browne, Melissa Kuehne, Roberto Carlos Torres, Kristy Bivens, Nikita Sinha, Taylor Buck and Seth Yund.

**Consultants & Guests Present:** Kim Tucker and Jennifer Whiting

#### 3. Consent Calendar

There were corrections requested on the June 2022 Board Meeting minutes to include Judy Mitchell's attendance.

**Motion to Accept the Change to June Meeting Minutes:** Judy Mitchell.

**Seconded:** Virginia Bass. All in favor. Motion passed

There were no corrections to the June Executive Committee minutes or the August Executive Committee (with Finance Committee) minutes.

**Motion to Accept the Consent Calendar:** Judy Mitchell.

**Seconded:** Virginia Bass. All in favor. Motion passed.

#### **4. Setting the Right Foundation for Planning & Effective Strategy Implementation**

Teresa discussed the State of the Board and reminded members about the importance of 100% Board Giving.

Teresa gave a detailed overview of what members can expect to take away from the retreat, including a better understanding of the organization, as well as foundational knowledge about how best to serve as a board member. They would receive a status report on the strategic plan and pillar implementation goals so they could determine its relevance beyond 2022. The overall retreat goal is to help board members better understand their roles, how their strengths contribute to the organization and the value of the right board composition. She also expressed gratitude for the ability to meet in person and network as a group for the first time in three years.

Committee Chair provided updates.

- Finance - Lydia shared that revenues are meeting expenses, which is good. However, revenues are not as high as projected for the year, which needs to be watched closely. Cash reserves are healthy.
- Governance - Brett explained that the committee meets regularly and has begun discussing board composition and how best to assess and/or recruit new board members.
- Marketing - Virginia updated that the committee has made a concentrated push around counties through CSAC, RCRC and hopefully CACE.
- Advancement - Nat gave an update on the ongoing relationship with Grants Plus and how the committee is continuing to focus on fundraising.

Affiliates provided updates on the state of Local Government.

- Cal Cities - Carolyn Coleman gave an update that the legislative session ends in 10 days and the priorities are housing for the houseless, infrastructure, resiliency & disaster mitigation.
- CSDA - Neil updated that CSDA is focused on awareness about special districts and equal access to federal and state funding.
- CSAS - Farrah reported on behalf of CSAC and explained that counties are still struggling with the pandemic response and now also struggling with Monkeypox. They also remain focused on mental health services and the unhoused population.

#### **5. Evolving as a Board**

Facilitator Kim Tucker provided a detailed overview of an effective nonprofit board.

- Board's duties
  - Duty of care – come prepared
  - Duty of loyalty – avoid conflicts of interest
  - Duty of obedience
  - Developing policies
  - Fiscal steward and brand ambassador

- Cultivation of funding opportunities and relationships
- Good governance
  - Three types of governance: fiduciary, strategic, and generative
  - Jim expressed that it is hard to have a generative style in a Zoom setting and shared that we may default to a fiduciary state without face-to-face interaction. Are we at a stage in our organizational development to make more time to expand to generative governance intentionally?
  - Erica explained that our board seems to thrive in a conversational, strategic, visionary areas. This is the first meeting in three years where ILG is fully staffed; without adequate capacity, it's hard to have a truly generative approach. The board's role is to plan ahead, think through structural shifts, meetings, committees, etc. We now have the capacity to shift with some intentionality.
  - Kim suggested the board focus on outcomes, not output – not make 10 customer calls today, but close \$x worth of deals.

## 6. ILG Board Governance

The board embarked on a conversation about the role that board composition plays in Good Governance. Teresa expressed that previously the board intentionally brought in younger people and women; board members represent all types of jurisdictions and regions across the state.

Brett and Randi posed the question: “Do we want to further define what we mean by diverse? What’s the evolution of ILG now? What kind of skillsets do we need?” Other members expressed ideas to answer those questions.

- Jim: What’s the board interview process? Don’t want to just address easy-to-identify markers, want to understand strengths and how it fits in our existing board?
- Nat: What’s the optimal number for an effective board? Maximum of 23.
- Lydia: The more we define diversity, the more we might limit ourselves. We want to be broader and bring in new skillsets, but if we define it we might lose some of that.
- Randi: Should we consider one applicant at a time or embark on intentional board recruitment around the goals of the organization?
- Carolyn: We have to know where we’re starting from with our existing board makeup so we can assess your strategic vision and gaps, and where you want to go.
- Brett: we used to internally decide and recruit specific people, now we’re getting applications.
- Randi: Maybe more from the leadership/staff on what’s necessary from the board. With our strategic plan for 2020-2022, not every board member fits or knows how to fit within each of the 4 strategies.
- Michele: we have done that kind of demographic mapping before. A few years ago, we tried to fill obvious gaps.

- Teresa: Many of our board positions are elected or appointed by their affiliate organization: MMANC is an example. Only some of the 23 positions are at large and the rest are appointed.

**Action Item: Direct staff to map out the existing board within the context of the strategic plan plus agency type/gender/age/etc.**

The application previously submitted by Lorenzo Rios was discussed in detail.

- **Board Member application – Lorenzo Rios**
  - Recommendation to table the discussion – not taking a formal action until after the demographic survey is complete.

Judy shared her opinion that it is better to recruit and have a catalog of applicants so we can select from a group and compare against what we need.

The board discussed having more than one corporate partner on the board. They asked who our partners are as well as who we may want to recruit as partners in the future.

## **7. Day 1 Wrap Up**

Teresa and Kim closed out the day by recapping key issues and encouraging members to think about how they feel about what was discussed during Day 1 and to set their intentions for Day 2.

## **8. Adjourn for Dinner**



## MEETING MINUTES

### 2022 Board Retreat & Q2 Board Meeting

Friday, August 19, 2022 (Day 2), 8:30 a.m.

#### 9. Call to Order & Roll Call

The meeting was called to order at 8:32 a.m.

After the general welcome, Erica called the roll.

**Board Members Present:** Teresa Acosta, Virginia Bass, Michele Beal Bagneris, Brett Channing, Jenifer Whiting, Monica Davis, Ruben Duran, Randi Johl, Jim Keene, Paolo Kespradit, Dallin Kimble, Farrah McDaid Ting, Neil McCormick, Judy Mitchell, Blanca Pacheco, Nat Rojanasathira, Lydia Romero, Hillary Straus and Jennifer Whiting.

**Board Members Absent:** Don Bartz, Graham Knaus, Pat Martel, Richard Montgomery, Sue Novasel.

**Staff Members Present:** Erica Manuel, Karalee Browne, Melissa Kuehne, Roberto Carlos Torres, Nikita Sinha, Kristy Bivens, Taylor Buck, and Seth Yund.

**Consultants & Guests Present:** Kim Tucker

#### 10. Review & Report on Strategic Plan

Staff provided a comprehensive overview of the strategic plan.

The board discussed being the “go-to knowledge source for Local Government” and what that entails. They highlighted projects like the Planning Commissioner’s Handbook and how that sets us apart from other organizations. The group embarked on a discussion about finding the right balance of written resources, technical assistance, webinars, and more in-depth community work.

Staff gave individual reports and updates on their pillars and how those aligned with the goals set out for the year.

Board thanked staff for their exceptional work.

## 11. Review Q2 Financial Statements

Erica gave an overview of mid-year financials and provided a status report on the latest numbers in the context of trends we may see in the next few months. In summary:

- Overall revenues were \$952,108, which is 39% of total budgeted revenues for 2022.
- Overall expenditures were \$898,066, which is 37% of total budgeted expenditures.
- ILG's net income for the six months ending June 30, 2022 was \$54,043.
- While revenues are higher than expenses, which is on target, this is the first time in 3 years that we have not met revenue projections for the budget.
- One reason for that is that 2022 revenue goals are very high.
- Some of the previous quarter's lower expenditures were due to lower staffing costs from the prolonged vacancies.
- The hiring of additional full-time staff will continue to increase monthly expenses moving forward.
- Investment accounts have lost 20-30% of 2021 value in 2022.
- Revenues are projected to increase after employee on boarding is complete and if some of our grant prospects materialize.
- However, additional travel and the corresponding expenses from that travel will continue to increase expenditures in remaining months.

She also provided the following additional context:

- The grants landscape is very competitive and the funding is never guaranteed.
- ILG needs non-contract funding to balance our revenue mix and maintain our non-profit status.
- In-person activities and travel limit staff's overall productivity with billable contracts.
- Partner cultivation is very time consuming with lead generation often taking 6+ months or more.

Erica shared the following strategy for moving forwarding and requested the board's feedback/approval:

- Maintain focus on fundraising
- Complete staff onboarding to support programmatic and fundraising efforts
- Maximize all existing opportunities and relationships
- Reduce expenses wherever possible
- Request more frequent check ins with Finance Committee (monthly or bi-monthly)

The board agreed with the proposed strategy. Some questioned how much expenses could be cut. Erica mentioned that expenses are already very low and that our largest expense is salaries. The biggest out of pocket expenditure for the year will be the board retreat, which is very expensive because of inflation, venue price increases due to COVID and travel.

There were no additional questions related to the Q2 2022 financials.

The board thanked staff for their diligence and financial acumen.

**Motion to Receive and file the Q2 2022 Financial Statements:** Ruben Duran  
**Seconded:** Michele Beal Bagneris. All in favor. Motion passed.

## 12. Being an ILG Brand Ambassador

The board gathered in small groups to develop an “elevator pitch” in an effort to gain the tools and vocabulary to recruit more partners and to explain what ILG does and whom we serve. Kim led the exercise and staff collected the final pitches, which will be shared with the board.

## 13. Other Strategic, Operational & Admin Items

Staff requested clarity about the Strategic plan for 2020-2022 and whether it needs to be updated before we reach the end of 2022.

After discussion, the board agreed that the goals and strategies are still relevant so we can extend the strategic plan implementation for at least one year.

**Motion to extend the strategic plan implementation for one more year:** Michele Beal Bagneris  
**Seconded:** Paolo Kespradit. All in favor. Motion passed.

The board explored the Board Giving options, including but not limited to options outside of PayPal/check, options to check a box to include service fee, and sending in one lump sum rather than periodic payments to avoid service fees. Some board members completed their donations on site.

Staff reminded board members to return the Conflict of Interest Forms if they have not already done so and that an email was sent out earlier in the week with the documents attached.

Teresa reminded the board of the next two board meeting dates and times.

- Board meeting schedule
  - Friday, November 4, 2022, Q4 board meeting, virtual
  - Tuesday, December 20, 2022, 2023 budget meeting, virtual

## 14. Wrap Up

Kim closed out the 2022 ILG Board Retreat and thanked everyone for their time and commitment toward helping ILG promote Good Government at the Local Level.

The floor was returned to the Chair to begin the Executive Session.

The Chair thanked the staff and excused them.

**15. Executive Session (Closed)**

**16. Adjourn**

The meeting adjourned at 11:48 p.m.