



## Joint Governing Board & Foundation Trustees Meeting Agenda

Monday, April 20, 2020

5 to 7 p.m.

Via Teams

- 5:00 p.m. **Convene** (David Boxberger, Board Chair; Miki Herman, Foundation Chair)
- pp. 2-5 **ACTION: Governing Board Members to Approve Minutes of the January 31 – February 1, 2020 Joint Board & Foundation Retreat** (David Boxberger)
- pp. 6-8 **ACTION: Foundation Trustees to Approve Minutes of the February 26, 2020 Meeting** (Miki Herman)
- 5:02 **CEO Updates** (Jeff Carr)  
pp. 9-14 COVID-19 Environment  
Workforce Housing  
Financial & Budget Discussion: Looking to the Future
- 5:30 **Finance, Audit & Compliance Committee Update** (Karen Rasmussen, Chair)
- 5:35 **ACTION: Approve FY2-18-2019 990's as Recommended by the FAC Committee** (Jeff Carr) (will be sent under separate cover)
- 5:36 **Financial Update – March YTD FY2019-2020** (Janice Jacobs) (will be sent under separate cover)
- 6:00 **Kerr COVID Impacts** (Presentation)  
Compliance Training, COVID-19 Response Plan (Owen Gibson)  
HR Issues, Staff Redeployment/Commitment to Staff (Matthew Warner)  
Fundraising & Events Status (Anne Adler)  
All Programs Updates/Status (Derrick Perry)  
Supply Chain, PPE (Van Field)  
Epic Status, Plans for Implementation Post COVID-19 (Craig Rusch)
- 6:30 **Board/Foundation Structure** (Jeff Carr, Melissa May, David Connell)  
pp. 15-25 Discuss Proposed Structure  
Update on Bylaws Review
- 6:50 **Executive Session – Tentative due to technical constraints** (Miki Herman, David Boxberger)
- 7:00 **Adjourn** (Miki Herman, David Boxberger)

**Attachment:** pp. 26-30

**Fundraising Report**

**Next Executive Committee Meeting:**

**Monday, May 18, 2020**

**Next Joint Board & Foundation Meeting:**

**Monday, June 22, 2020**

# Albertina Kerr Governing Board & Foundation Trustee Retreat

January 31, 2020

**Governing Members Present** – David Boxberger, Dennis Warneke, Laura Shipley, Teri Barichello, Paul Litwinczuk, Craig Payne, David Lake, Melissa May, Karen Rasmussen, Lisa Powell, Susan Hobbel, Jill Nickerson, David Connell, David Wilson. **Members Excused** – **None**. **A quorum was present.**

**Foundation Members Present** – Miki Herman, Kim Curry, Catherine Bekoooy, Heidi Steeves, Sarah Robinson (ambassador board), and Jeff Carr. **Foundation Excused** – **Rod Malone**. **A quorum was present.**

**Staff members present** - Jeff Carr, Anne Adler, Owen Gibson, Van Field, Janice Jacobs, Derrick Perry, Craig Rusch, Toni Tringolo, Matthew Warner.

**Convene** - Jeff Carr convened the meeting at 10:00 am. He welcomed the group and introduced Linda Carpenter and Toni Tringolo. Linda led an introduction exercise.

## **Consent Agenda (Boxberger)**

**ACTION:** David Wilson moved that the **Governing Board minutes be approved**. David Lake seconded. The motion passed via unanimous vote.

**ACTION:** Kim Curry moved that the **Foundation Board minutes be approved**. Heidi Steeves seconded. The motion passed via unanimous vote.

**Financial Report** (Janice Jacobs) – Janice quickly set the scene for the Accounting department which has gone through a heavy transition in the past few months. She then reviewed the financial priorities (included in handout) and discussed payroll findings from an internal audit. A review of the consolidated statement of activities as of Dec. 31, 2019 and also for the year-to-date showed Kerr is managing our expenses well. We are tracking very close to budget. A discussion followed.<sup>1</sup> Janice closed the discussion by reviewing the consolidated statement of activities and noting that she expects to hit the forecasted target.

**Workforce Housing Update and Approvals** (Jeff Carr) Jeff reviewed the Phase I and II activities and reported that both of these phases have been completed. He then shared the project's design update and landscape plan. Jeff noted the positive support from the City of Gresham with the new design. Some construction costs have increased as the design has progressed raising the per unit cost by \$30,000. A new design element is to create a Net Zero building through the use of solar panels and other energy efficiency projects. There is potential to assume 75% savings of all electricity bills allowing the property to support a larger

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<sup>1</sup> Discussion: Boxberger asked, are we managing our expenses well because we've delayed expenditures. Carr, no. Powell asked if we are positioned to manage FTE adjustments if the economy has a down turn? Carr, explained the FTE count is still being sorted out thanks to Paycom. Warner, we are close to determining this figure.

loan. Private fundraising is on track to reach the next milestone of \$1,200,000. Anne noted there are some funds that hinge upon the City of Gresham committing to the project and if Gresham declines fiscal support then those connected funds will be at risk. Jeff explained the HUD 811 Project Rental Assistance program which could be worth \$200,000 in annual rent subsidies to the 30 tenants of the Universally Accessible units. The next goal is to hit a September 2021 Temporary Certificate of Occupancy. There is a tight schedule to follow. A discussion followed.<sup>2</sup> Jeff then presented Phase III, an authorization of additional funds, to continue the design work.

**ACTION: Susan Hobbel moved to accept the proposed Phase III to spend an additional \$228,000 to continue design work, less prior savings in Phase I and II of \$43, 690. Teri Barichello seconded. The motion was approved unanimously.**

**CPO “First Impressions”** (Derrick Perry) – Derrick shared his first impressions and summarized his written report. He reported that the staff are dedicated, eager, and compassionate. He is encouraged that Kerr is so well respected in the community. Derrick’s report focused on three primary areas (standardized practices, organized structure, and access to care) that he is working on at this time. This led into discussion about upcoming projects including a potential partnership with the Lake Oswego School District and creating a “single point of contact” for access to care to Kerr.

**Business meeting adjourned at 11:45 a.m.**

**Change at Kerr – Timeline Video**

## LUNCH

**Strategic Plan: Halfway There**

Craig Rusch and Jeff Carr walked the group through the edits and proposed changes.

- Request to change “employee satisfaction” to “employee engagement”
- Survey tools and measurements discussion
- Brand awareness discussion – Kim Curry wants 4% notated. Better brand awareness leads to better understanding of what we do, leads to better referrals. Less waste of resources, better use of capacity.
- Fundraising goal at 10% of operating budget discussion.

Initiative Updates –

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<sup>2</sup> Lake asked Carr to ID the top risks – Carr said schedule is aggressive and the bond from Gresham. Net Zero might be a risk, but it has a conservative approach. Powell asked Carr about making sure Kerr employees get a shot at the units – Carr said advanced marketing can help, but we have to follow the Fair Housing rules. Curry asked about geothermal – Carr said it hasn’t been considered. Herman asked about additional funding sources outside of the city to protect against the funding gap – HUD PRAs, net zero costs are built in but we haven’t explored additional subsidies yet. Herman asked if we have asked other Foundations yet? Carr, no we have not exhausted those resources. Connell asked, does the additional spending give you enough to accomplish what is needed? Carr – if the city says yes, then we move forward with the proposed schedule. If the city says NO for a portion of the 100% of their funding then we need to secure those funds elsewhere. If they say 100 % no, then Carr said the board should fire him. Lake asked if we don’t get the city funding, what are our obligations with the other raised funds? We honor those gifts and return what must and redirect if able.

- On target – 4 objectives
- Revised – 5 objectives (discussed earlier)
- Behind – 1 objective

### Where are we now?

Clients served annually FY18/19 reviewed and discussed. There was a discussion about changes to the populations Kerr is serving and what that might mean for the future of residential care. Complex, co-occurring behavioral challenges are starting to land in our system and it's going to make our work even more challenging. This may require re-training staff to make it work. Discussion about ownership vs rental of group homes which led into a discussion about buying land and developing future homes ourselves. Further discussion about smaller group homes vs a larger residential facility. There are federal rules that regulate the way this is handled in order to still qualify for federal funding via Medicaid.

## Break

### Exploring Our Future – Kim Curry

Thought leadership on the community we serve and our role with that. Shaping culture and asking it go to a better place. Self-challenge to look at the norms and rethink how we move forward with Kerr's mission. We have great opportunity to learn from our feedback loop. Kim Curry gave example of the impact about broad support of Girl Scouts and how Kerr could proportionately grow from that same level of support. The work is vital and complex. It becomes harder to tell our story in a simple manner. Let's think about what we can do as board members to bring Kerr to the future with storytelling and data at the core.

### Taking the Pulse of Kerr Leaders – Linda Carpenter

Linda led the group through a series of questions:

1. What are the 3-5 most important core competencies of Kerr?
2. What are the opportunities that are open to Kerr in the next 3-5 years?
3. What are the obstacles or challenges of the next 3-5 years?
4. If they had a magic wand, how would they use it?

Jeff Carr then shared the results of the same exercise with Kerr's key leaders and managers. It was remarkable how many people noted the funding issues in this exercise. There was commonality of themes across all the levels and communities. One person noted that Kerr's core competencies today are what our "areas for growth" were a few years ago. Our strategic plan is closely aligned to the issues identified in this exercise. Kerr is a self-aware organization. Someone noted that Jeff and staff mentioned growth, but the board didn't.

## Saturday, February 1, 2020

Jeff Carr presented the new language to the strategic plan based on the conversation from yesterday. David Boxberger asked for a motion.

**ACTION: Miki Herman moved to adopt the changes to the Strategic Plan as presented. Laura Shipley seconded. The motion passed.**

Jeff and Linda welcomed the board. There was a check in and discussion about alignment and how to move forward as one. The questions of the day are: What is the vision of the board? What kind of future does Kerr want? Linda then led the group through multiple exercises:

1. What kind of board do we need to be to take Kerr into the future?
2. How engaged do we need to be?
3. What are the obstacles and challenges to creating that board?

## Break

We resumed the individual and group exercises.

1. What does the board need to do in the upcoming year to move toward their vision?

A robust discussion followed about the board's role at Kerr and proposed changes to the board's structure. Linda led the group through a closing one-word summary. Jeff closed the meeting.

**ALBERTINA KERR CENTERS**  
**Foundation Board of Trustees**  
**February 26, 2019**  
**4 to 6 p.m.**

Kerr Admin Center – Albertina’s Kitchen Garden Room

**Members Present**

Catherine Bekooy, Jeff Carr, Kim Curry, Miki Herman, Sarah Robinson, Heidi Steeves

**A quorum was present.**

**Staff Present**

Anne Adler, Christine Andersen, Chris Canter, Janice Jacobs, Ella Rathman, Jeanette Weston

**Convene** (Miki Herman)

Miki convened the meeting at 4:00 p.m.

**Approve Minutes of the January 31<sup>st</sup> & February 1<sup>st</sup> Joint Board & Foundation Meeting**

**ACTION: Sarah Robinson moved that the minutes be approved. Kim Curry seconded. The motion passed via unanimous vote.**

**Introduce Ella Rathman**

Ella was introduced to the group. She is the new Development Associate and has a passion for human services.

**Mission Moment**

Jeanette Weston shared the story of a young man who came through Kerr programs, from subacute to a kids’ group home and then moved into a Kerr young adult transition group home. He recently posted on social media, tagging Kerr, his gratitude on his sixth anniversary since seeking treatment and entering Kerr programs.

**CEO Written Report** (Jeff Carr)

Jeff reported positive feedback from the January 31/February 1 Board and Foundation Retreat. All members of both boards attended with one exception who was not in Oregon at the time. Jeff is following up with a major theme that emerged from the retreat regarding Board and Foundation structure, and how best to think about and organize for Kerr’s future. Jeff is working with Board members and attorneys David Connell and Melissa May to review the bylaws for both entities and the legal considerations for keeping or changing the current structure.

Three options have emerged:

- 1) Maintain the status quo of two boards
- 2) Merge into one board
- 3) Maintain two separate entities, however, transition the Foundation into essentially operating as the Investment, Gift Acceptance & Planned Giving Committee with four meetings per year to focus on overseeing the management of the investment portfolio and maintaining their planning giving and gift acceptance function.

**ACTION: Jeff will bring updates to the April Board meeting. Foundation Trustees will be invited to attend the April Governing Board meeting. The April meeting will include an in-depth conversation about the Board and Foundation structure and reports from the Executive Committee and the Finance, Audit & Compliance Committee.**

Going forward, Board meeting agendas will have a goal to include a 30-minute block of time to review a substantive problem or challenge, tapping into the expertise and resources of Board and Foundation members.

### **Financial Reports**

FY2019-2020 YTD (Janice Jacobs): Foundation financials are positive YTD against budget. Unrestricted grants, individual giving, events and TOKNA activity are all strong for the year. Expenses are being well managed and show a \$158k surplus. Fund actuals, year over year, show positive performance as well. Grants have had a significant positive impact.

FY2019-2020 YTD Fundraising (Anne Adler): Rip City Race for the Roses is progressing well. 1221 racers have registered compared to 1232 at the same time last year. Grants are strong, although timing of some shows in the percent of goal. Individual giving is performing at \$84k better than last year; however, the goals for this year are aggressive, leaving more to be raised. Fundraising on the part of Board and Foundation members needs to be clarified and a process for maintaining accountability needs to be discussed. Specific needs are being identified and broken out into feasible targets. Stories and case documents will be developed to support specific items and projects.

### **Development Staffing Update** (Anne Adler)

Christine Andersen will be leaving Kerr to pursue opportunities in her family's business. Chris Canter will take over TOKNA oversight. Margaret Scafidi will be promoted to manager, with Chef Joel Thompson and Retail Coordinator Amanda Glazer reporting to her. Christine's position will not be replaced.

### **Ambassador Board Update** (Sarah Robinson)

Eight Ambassador Board members meet every other month. At a recent meeting, three of the eight members discussed the following: how to be more involved within the Ambassador Board and with Kerr as a whole; annual AB goals and strategies; involvement in specific events; update the AB Charter; and recruiting and engaging new AB members. Sarah noted that while all AB members do not regularly participate in meetings, they do contribute in different ways, such as participation and volunteering in events.

### **Individual & Planned Giving Plan Update** (Chris Canter)

Individual giving goals were exceeded during the fall campaign. The campaign generated an increase in the number of donors and gifts and average gift amounts. \$27k was raised through the Willamette Week Gift Guide. The goal is to reach \$600k by June 30<sup>th</sup>, using different methods such as a spring appeal and salon events in April. 400 people will be invited to Discover Kerr in June.

### **Corporate Partnerships** (Anne Adler for Justin Zellinger)

The Rip City Race for the Roses is the focus item at this time. 10 corporate sponsors have been secured so far. The team continues to recruit for more runners, sponsors, volunteers and vendors to participate. An

electronic form letter is available for people to utilize in recruiting corporate teams. Work is under way on 24 Hours of Kerr. Sponsorship is \$34k ahead of last year at this time.

**Events Update** (Anne Adler for Toni Tringolo)

Discover Kerr is scheduled for June 4<sup>th</sup>. 24 Hours of Kerr is scheduled for September 12<sup>th</sup>, returning to the Hotchkiss Farm, and the Golf Tournament is on September 21<sup>st</sup>, due to a conflict with an LPGA event at Edgewater on the 12<sup>th</sup> and 13<sup>th</sup>. Golf sponsorship packages are available.

**Investment, Gift Acceptance, and Planned Giving Committee Update** (Catherine Bekooy)

Investments performed very well through the end of calendar year 2019; however, recent changes indicate significant declines in the market overall. Portfolios managers have said there are no need for changes to Kerr's investments at this time. The Committee has agreed that due to current volatility, now is not the time to evaluate and change fund managers.

**Executive Session**

Members entered executive session at 5:45 p.m.

**Adjourn** (Miki Herman)

The meeting adjourned at 6 p.m.

Recorded by Holly Edgar, Corporate Secretary



# ALBERTINA KERR

April 20, 2020  
Report to the Albertina Kerr Board  
Jeff Carr, CEO

## Introduction

Since our Board Retreat on January 31-February 1, who would have ever anticipated we would find ourselves in the midst of a once in a lifetime global health and financial crisis. While most of our meeting will be focused on Kerr's response to our current situation, I want to share some of the work that was done before the COVID-19 pandemic, as well as update you all on existing projects that continue to be a priority and will move forward in spite of the times we live in.

## Staffing Updates

We held a Management Summit in mid-February with approximately 90 managers in attendance. It was a day of sharing information, gathering feedback on the four questions we discussed at our board retreat (*What are Kerr's core competencies?; What do you see as the opportunities open to Kerr in the upcoming 3-5 years?; What do you see as the obstacles and challenges that Kerr is facing in the next 3-5 years?; If you could do one thing that you believe would be great for Kerr and for our community in the next 3-5 years, what would that be?*), and some inspiration by motivational speaker Lou Radja. It was a really positive meeting with people feeling informed, inspired, and ready to get back to the work.

We continue to recruit and conduct interviews for our vacant Director of Children's Mental Health in spite of the pandemic. While we have not settled on a candidate yet, we have made some progress on locating some qualified individuals and are continuing the interviews.

Finally, I think due to a lot of factors including our revamped recruiting and onboarding process, increased wages, as well as the major spikes in unemployment claims last week, our vacancy rate for Direct Support Professionals was reduced to 2% on April 10<sup>th</sup>. This represents only 10 vacant positions in total, which is likely the lowest it has been in years at Kerr. We are hoping this will continue and we can build a sense of loyalty and commitment with our workforce that will decrease turnover over time as the economy recovers.

## **Organizational Highlights**

### *FY 2019-20 March Financial Results*

At the time of the drafting of this report, we have not closed our financials for the month of March yet, but we should have a report to share at the meeting. Janice Jacobs and her team continue to make progress on our financial reporting systems. They have recently converted to the latest cloud-based version of Blackbaud's Financial Edge and are developing a new reporting system utilizing FE. This has created some challenges, as our financial reports have historically come out of PowerPlan (our budgeting software) and we have decided to consolidate everything into FE. While this has created challenges in the short-term, once finalized and all the "bugs" are worked out, we will have a much more streamlined financial management system in place.

We are also beginning to look at the budgeting process for FY 2020-2021 and will be taking a different approach this year. Previously, we engaged in a thorough process that really was a "bottom up" budgeting exercise to develop our budget for the new year. Given the uncertainty surrounding the health and financial crises, our plan is to really develop a budget that simply looks at trends (both slightly before and after mid-March when the pandemic changed everything) to develop a forecast. While this won't be a perfect process, it seems like the most prudent thing to do given the current state of affairs. It's also in line with what we have been talking about for the last couple of years in terms of utilizing a "forecasting model", which is what we've essentially been doing for our primary revenue sources on a weekly basis for the last 16 months.

### *COVID-19 from 30,000 feet and looking forward*

Most of my attention and that of our leaders has been focused on responding to the COVID-19 crisis over the last 5 weeks. In some ways it seems like just yesterday, and in other ways, it seems like we have been living this reality for months on end. You will see on the agenda that I've asked most of the SLT to update you on various aspects of our response to this crisis, and we will be providing a PowerPoint presentation at the meeting with the latest updates. What I want to share here are a few of my thoughts at a "macro or 30,000 feet level".

Our primary focus has been and will continue to be on keeping our clients and our employees safe. Given the problems with widespread testing and the ability to do contact tracing, as well as being likely another year away from a vaccine, I believe we will continue to need to maintain this focus for the next year. The good news is that focusing on client care and investing in our employees has been our focus for the last 3-4 years and we are seeing some of that investment pay off now. Maintaining good communication and leading with empathy to create a culture that maintains staff morale will be critical.

It's also been apparent that the need to invest in our managers is even greater than ever. It always makes a difference to have a good manager at the ground level of programs, but the unique challenges during these last few weeks has only solidified this thinking at Kerr. We already had been working on an entire new management selection and training program, and this will remain a priority over the next year.

We have also begun a conversation about what training really is critical, beyond what is required by our regulatory agencies. Prioritizing that training and ensuring that it is delivered in the most conducive method to make it "stick" will be an important way we can continue to make gains in the quality of care of our clients in all aspects of our programs. It really is all about "caring for the people that care for the clients at Kerr".

While we began our Lean Continuous Improvement process over three years ago at Kerr, one of the challenges we have had is moving people away from endless meetings and email threads that are not efficient, to doing regular/daily staff huddles. Some of this had been implemented in our programs, but it had not really penetrated into our manager ranks. One of the unintended positive outcomes of the last five weeks is that daily huddles have been a necessity, and has begun to change the way we work as teams. We've also discovered (like most people around the world) about both the opportunities (and a few limitations) that technology can provide in connecting people who are often in a variety of disparate geographic locations. Finding the right "mix" of this will be an important part of our organizational transformation going forward. We will not "do business" the same ways we have previously, but rather we will live into something new going forward that enables us to do our work smarter.

Finally, while there are going to be lots of challenges going forward, a question I asked our leaders to contemplate this past weekend was "What is it time for now?" I don't think it's going to be a time for Kerr to "shrink" our thinking, but rather strategically think about how we expand our circle of care and develop criteria for what opportunities we might jump on (organizational acquisitions, program expansion, real estate opportunities, etc.) that arise after the health crisis is over.

#### *Board Retreat Follow Up: One Organization or Two?*

As most of you will remember from the retreat, there was a lingering question about whether Kerr should have two organizations (Albertina Kerr Centers – Operating Entity and Albertina Kerr Centers Foundation – Fundraising Entity) or should we consider consolidating to one organization and one board. David Connell and Melissa May (two Governing Board members who happen to be attorneys, but were not acting in an official role as legal counsel) agreed to meet with me and discuss what our options might be for advancing this question with the hopes of getting some clarity, so we can focus on what kind of board we need to build for Kerr's future.

At our meeting we agreed that our take away from the conversation at the board retreat, and the spirit of the discussion was, that no one wanted anyone to feel like a "second class" board

member, i.e. you're responsible for raising all the funds, but have no power in decision making about the work of Albertina Kerr (expressed by multiple Foundation Trustees). Secondly, we believe there was agreement that governing board members also understand that they bear responsibility for fundraising as well. So, our premise was to look at multiple options for moving forward, with the goal of having a board/boards who all feel responsible for fundraising AND feel like they have a stake/vote in the work of Albertina Kerr. To that end, we looked at three options:

1. **Option #1: Change Nothing and Maintain the Status Quo of Two (2) Separate Legal Entities** – I believe none of us thought this was a good option, nor did it embody the spirit of the retreat conversation as expressed above, but it certainly is an option.
2. **Option #2: Combine the two legal entities into one organization** – The simplest way to do this would be to simply shutter the Foundation and transfer all assets (primarily the endowment) to Albertina Kerr Centers, absorb the Foundation Trustees as Kerr Governing Board members, and perhaps have the Finance Committee oversee the Endowment or create a new Investment Committee on the Governing Board. Again, certainly an option, but didn't necessarily completely address all the concerns that some expressed at the retreat.
3. **Option #3: Maintain two legal entities, but narrow the scope of the Foundation** – This was the option where the three of us had the most alignment and energy around, and believe best captured the spirit of the board retreat conversation. The following bullets were what we thought were key points around this option:
  - Narrow the current purpose and focus of the Foundation to have a limited scope in providing investment oversight of the Kerr Endowment Funds
  - Create a smaller board with five (5) to ten (10) members: at least three (3) would be Independent Trustees, the CEO of Albertina Kerr (ex-officio), and at least one (1) governing board member (perhaps the Chair of the Governing Board). The Governing Board would elect at least one to four (1-4) of the three to eight (3-8) Independent Trustees and the Foundation Board would elect the other two to four (2-4) Independent Trustees. This maintains the current status that Albertina Kerr Centers (AKC) has a controlling interest (51%) in the Foundation.
  - Fundraising responsibility & Current Foundation Trustees would move entirely to the Governing Board
  - Streamline the management of the Foundation by creating a basic management agreement with a simple management fee charged by Albertina Kerr Centers to the Foundation. All of the current inter-company transfers and allocations would go away and the only transfer would be the

quarterly payment of the approved “spend rate”, as well as the simple management fee, and any bequests that were received by AKC that need to be transferred to the Endowment

- The Foundation Trustees would meet four (4) times per year on a quarterly basis (on the same schedule as the current Foundation Investment Committee) to meet with the professional investment advisors, review any gift acceptance items, and receive a report of any necessary transfers.
- The Foundation Trustees would also attend the Governing Board Meeting each June to provide a report on the Foundation and to participate in the meeting where the AKC Annual Budget is approved. These Independent Trustees would have no official fundraising responsibility (like governing board members) and we would look for people to serve who have professional experience in managing investments and assets.

Thanks to the work of Melissa May, I’ve attached a redlined version of the KAC Foundation by-laws that we preliminarily believe would be necessary to effectuate this change. There also would likely need to be a minor change in the KAC by-laws. If the board(s) agree with our recommendation at the April 20<sup>th</sup> meeting, the next step would be for Kerr to hire independent counsel to review these suggested by-law changes to create the structure outlined above and bring them back to a vote at our June joint Board meeting.

### *Programs*

In late February we had a hosted a two day visit of our Subacute facility by the Oregon Health Authority and the Department of Human Services to do a joint review of our license. I’m pleased to report that other than some minor paperwork and training issues, we passed with flying colors. Kudos to the Subacute staff and Owen Gibson and our Quality and Compliance team for the good work in preparing for this review.

After our retreat, I also met with David Boxberger and Craig Payne to follow-up on the brief discussion we had regarding families who have special needs children and the concept of “aging in place” with their kids as a step for more independence for their children and respite for parents, but also as a means to help parents who have cared for their special needs children since birth, a plan for how and who will care for them if they outlive their parents. The conversation was very exciting and I had a follow-up conversation with the CEO of Rose Villa Retirement Community (Vassar Byrd) and their Board Chair (Chris Krenk), as well as Mark Edlen about whether or not a senior living model might be the basis for a concept like this. We are just in the beginning stages of discovery, but the concept is one that will be needed if we are going to solve a major demographic challenge that will be forthcoming over the next few decades (<https://www.politico.com/news/2019/11/13/health-care-aging-caregivers-070722>).

### *Workforce Housing Update*

Things continue to move forward on our Workforce and Inclusive Housing project, with our fundraising topping the \$1.25 million mark. We continue to hold meetings with our design and development team (Ankrom Moisan and Gerding Edlen Development) every other week and are on track to have final Design/Development documents reviewed by the City of Gresham in May. Gresham also released their Notice of Funding Availability (NOFA) for the Metro Housing Bond Funds on April 8<sup>th</sup> with a submission deadline of June 3<sup>rd</sup> and an estimated project endorsement in July/August. The NOFA says they plan to award between \$12mm-\$20mm to 1-2 projects and we feel very confident that our project remains competitive. If all goes well, we could begin construction sometime this fall.

Finally, I also had an initial call with Congressman Earl Blumenauer who read about our project from one of the newspaper articles and wanted to learn more. We will be asking him and other members of our Congressional delegation to request an extension from HUD for the HUD 811 Project Rental Assistance vouchers that Oregon has been awarded, but expire in September 2021. These vouchers would provide an ongoing rental subsidy for the 30 units that are targeted for people who experience an intellectual and/or developmental disability (I/DD) and are for people who earn less than 30% of the average median income (AMI).

### *Personal*

I want to thank many of you who reached out by email, phone, and through cards upon the passing of my father on March 13<sup>th</sup>. While it's never an easy time to lose a parent, my father was 90 years old and my wife, Wendy, and I were privileged to be at his side as he transitioned from this life to the next. It was a sacred moment that I am very grateful for.

While these are times of great challenges and many unknowns, I believe Kerr is poised to continue to make a difference in the lives of vulnerable Oregonians, perhaps more powerfully now, than at any time in our history. Thanks for your continued support and partnership in making that a reality.

**THE AMENDED AND RESTATED BYLAWS**  
**OF**  
**ALBERTINA KERR CENTERS FOUNDATION, INC.**  
An Oregon Nonprofit Corporation

As revised and adopted August 16, 2017

**ARTICLE I**

**NAME**

The name of the corporation is Albertina Kerr Centers Foundation, Inc. (hereinafter sometimes referred to as “corporation” or “Foundation”), which shall be a nonprofit, public benefit corporation organized under the Oregon Nonprofit Corporation Act (the “Act”) and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or the corresponding provision or provisions of any future federal income tax laws.

**ARTICLE II**

**PURPOSES**

The purposes for which this corporation is organized and operated shall be as set forth in Article III of the Articles of Incorporation of this corporation. Subject to those limitations and conditions set forth in Article III, Section 2 below, the corporation shall have all statutory powers.

**ARTICLE III**

**MEMBER**

1. Designation. The sole member of this corporation is Albertina Kerr Centers, Inc.
2. Reserve-Reserved Powers. Notwithstanding anything to the contrary in these Bylaws, neither the Board of Trustees nor any committee, officer, employee or agent of this corporation may take any of the following actions without approval of the member:
  - 2.1 Amendment or restatement of the Articles of Incorporation or the Bylaws of this corporation.
  - 2.2 Purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any interest in real or personal property, except in accordance with the established policies for such matters approved from time-to-time by the member.
  - 2.3 Election and removal of 51% of the Trustees of this corporation.

2.4 Aggregate borrowing of this corporation for periods of one (1) year or less for any purpose in excess of a dollar amount to be established by the member from time-to-time; and aggregate borrowing for more than one (1) year for any purpose in excess of a dollar amount to be established by the member from time-to-time. For purposes hereof, the term “borrowing” shall include any commitment for the payment of money pursuant to any contract.

2.5 Any change in the formal or informal expressions of philosophy or purpose of this corporation.

2.6 Merger, consolidation, reorganization or dissolution of this corporation.

2.7 Sale, lease, mortgage, pledge or other disposition of all or substantially all assets of this corporation.

2.8 Creation of any subsidiary of this corporation or its participation in any business entity, including, without limitation, any corporation, unincorporated association, partnership, joint venture, consortium or cooperative.

2.9 Approval or adoption of annual operating and capital budgets.

2.10 Any unbudgeted capital expenditure in excess of a dollar amount to be determined by the member from time-to-time.

2.11 Appointment of the independent auditor and corporate counsel.

2.12 Any transaction of this corporation in which a trustee or officer of this corporation has a material financial interest.

3. Policy. The member shall also have the discretion to review any proposed transaction of this corporation which the member deems to involve significant questions of policy or would have a substantial impact, financial or otherwise, upon this corporation or the member, and to approve or disapprove such transaction.

4. Disputes. In all cases of dispute of authority or uncertainty of the meaning of these Bylaws, the decision of the member shall be dispositive.

5. No Liability. The member shall not be liable to the creditors of the corporation, or otherwise be liable, and all creditors and claimants shall only look to the assets of the corporation for payment.

6. No Transfer. The member shall not transfer its membership interest without the prior written consent of the corporation.



## ARTICLE IV

### **BOARD OF TRUSTEES**

1. General. Subject to the rights of the member, the affairs of the corporation shall be managed by a Board of Trustees. The Board of Trustees shall consist of not fewer than ~~7~~5 nor more than ~~30~~10 persons, as shall be established from time to time by the Board of Trustees. All Trustees shall have equal and full voting responsibilities as members of the Board of Trustees. A trustee on leave of absence shall not be considered a member of the Board of Trustees entitled to a vote during the period of such leave for receiving notices, for the purpose of determining a quorum, or for any other purposes.

2. Election of Trustees, Qualifications, and Basic Responsibilities.

2.1 The incumbent Board of Trustees shall nominate individuals as required to fill vacancies on the Board of Trustees. Trustees shall be elected and/or re-elected at any regularly scheduled meeting of the Board of Trustees.

~~2.2 Each trustee shall actively participate in corporate governance including service on at least one committee and support and participate in the major fund development activities of the corporation.~~

~~2.3 Fifty-one percent (51%) of the Trustees, to the nearest whole number, shall be elected by Albertina Kerr Centers, Inc. from among the candidates nominated and forty-nine percent (49%) of the Trustees, to the nearest whole number, shall be elected by the Board of Trustees from among the candidates nominated by the incumbent Board of Trustees. The CEO of Albertina Kerr Centers, Inc. shall serve as a member of the Board of Trustees, ex officio, with vote, and shall be one of the trustees elected by Albertina Kerr Centers, Inc. One member of the Board of Directors of Albertina Kerr Centers, Inc. shall serve as a member of the Board of Trustees, with vote, and shall be one of the trustees elected by Albertina Kerr Centers, Inc. Up to three (3) representatives of The Old Kerr Nursery Association, as designated by Albertina Kerr Centers, Inc., shall serve as members of the Board of Trustees and shall be three of the trustees elected by Albertina Kerr Centers, Inc.~~

3. Term: Staggered Terms. Each trustee shall be appointed and serve for a term of three (3) years or until his/her successor is elected; or he/she dies, is disqualified, resigns, or is removed. There shall be no mandatory term limits, but it is expected that trustees will normally serve not more than six (6) years. Such three year terms shall be staggered so that approximately one-third (1/3) of the total number of trustees then in office shall be elected during each calendar year. It is a goal, but not a requirement, that the number of trustees in each group will be approximately equal.

4. Quorum and Manner of Acting. ~~One-third (1/3)~~One-half (1/2) of the trustees in office immediately before the meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

The Board Chair shall have the right to vote on all matters. Proxy voting by trustees is not permitted.

5. Removal. A trustee may be removed with or without cause by a vote of two-thirds (2/3) of the trustees then in office. A trustee may also be removed for one of the following reasons: conviction in a court of law of a criminal offense involving a felony or a misdemeanor involving moral turpitude, conduct which brings or threatens to discredit the reputation of the corporation, breach of trustee's duty of loyalty to the corporation, and acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law. A trustee may be removed for one of the listed reasons only if a majority of the trustees then in office vote for the removal.
6. Place of Meetings. All meetings of the Board of Trustees shall be held at the principal office of the corporation or at such other place as may be designated for that purpose from time to time by the Board of Trustees.
7. Annual Meeting. The annual meeting of the Board of Trustees and the member shall be held each year, typically in October, in the state of Oregon at a time and place to be determined by the Board of Trustees.
8. Regular Meetings. The Board of Trustees shall hold regular meetings at least quarterly at such times and places as may be designated by the Board of Trustees.
9. Special Meetings. Special meetings of the Board of Trustees may be called for any purpose at any time by the Board Chair or any ~~five (5)~~ three (3) trustees.

10. Notice of Meetings; Attendance.

10.1 Regular scheduled meetings of the Board of Trustees, fixed by an express provision of the Bylaws or by a standing resolution of the Board of Trustees, may be held without additional notice of the date, time, place or purpose of the meeting. Notice of the date, time and place of each meeting of the Board of Trustees not fixed by an express provision of the Bylaws or by a standing resolution of the Board of Trustees shall be given to each trustee not less than two (2) days before the date of the meeting by any means permitted by the Act, including communication in person, by telephone, by mail, by electronic mail, by facsimile, or other means of electronic transmission.

10.2 Notice of any special meeting of the Board of Trustees shall be given at least two (2) days before the meeting by any means permitted by the Act, including communication in person, by telephone, by mail, by electronic mail, by facsimile, or other means of electronic transmission. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Trustees need be specified in the notice or waiver of notice of such meeting, except that no motion to remove a trustee shall be presented unless it was specified in the notice or waiver of notice of such meeting.

10.3 Notice of a meeting of the Board of Trustees delivered orally is effective when communicated if communicated in a comprehensible manner. Notice of a meeting of the Board of Trustees delivered by electronic mail or other means of electronic transmission

is effective when transmitted to an electronic mail address, facsimile number or other manner authorized in writing by the trustee. Any written authorization by a trustee to the corporation specifying means of delivering notice by electronic mail or other means of electronic transmission shall be effective until revoked or modified by a trustee in writing. Notice of a meeting of the Board of Trustees delivered by mail is effective at the earliest of (i) when received, or (ii) five (5) days after its postmark, if mailed by United States mail correctly addressed and with first class postage affixed

~~10.3~~10.4 Any trustee may at any time waive notice at any meeting. Except as provided in the next sentence, the waiver must be in writing, signed by the trustee entitled to notice, and filed with the minutes or corporate records. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the express purpose of objecting to the transaction of any business and at the beginning of the meeting (or promptly upon the trustee's arrival) objects to holding the meeting or transacting business at the meeting, and does not thereafter vote for or assent to the action taken at the meeting.

11. Participation in Meetings by Conference Telephone. Trustees may participate in a meeting of the Board of Trustees, or any committee of the Board of Trustees, through the use of conference telephone or other similar communications, as long as all trustees participating in such a meeting can simultaneously hear one another. A trustee's participation in a telephonic meeting shall constitute that trustee's presence in person at such a meeting for all purposes, including determining whether a quorum exists.

12. Presumption of Assent. A trustee who is present at a meeting of the Board of Trustees or a committee of the Board of Trustees when corporate action is taken is deemed to have assented to the action unless:

- 12.1 The trustee objects at the beginning of the meeting (or promptly upon the trustee's arrival) to holding it or transacting business at the meeting;
- 12.2 The trustee's dissent or abstention from the action taken is entered in the minutes of the meeting; or
- 12.3 The trustee delivers written notice of the trustee's dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting.

The right of dissent or abstention is not available to a trustee who votes in favor of an action taken.

13. Trustees' Action without a Meeting. Any action required or permitted to be taken by the Board of Trustees at a meeting may be taken without a meeting if all the trustees take the action, each one signs a written consent (which may include one transmitted by electronic mail or facsimile with signature) describing the action taken, and the consents are filed with the records of the corporation. Action taken by consent is effective when the last trustee signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be so described in any document.

14. Adjournment. A majority of the trustees present, whether or not a quorum is present, may adjourn any Board of Trustees' meeting to another time and place. Notice of the time and place of holding as adjourned meeting need not be given to absent trustees if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the trustees who were not present at the time of the adjournment.

15. Trustees' Compensation. Trustees shall receive no compensation.

## **ARTICLE V**

### **OFFICERS**

1. Officers of the Board. The officers of the Board of Trustees shall be the Chairperson and the Chairperson-elect, and other officers of the Board as the Board of Trustees shall from time to time deem advisable. Each officer of the Board shall be a member of the Board of Trustees at the time of his or her election and during his or her term of office.

2. Officers of the Corporation. The officers of the corporation shall be the Chief Executive Officer; a Secretary; a Treasurer, who shall also be the Chief Financial Officer unless otherwise determined by the Board of Trustees; and such other officers of the corporation as the Board of Trustees shall from time to time deem advisable. Officers of the corporation are not required to be members of the Board of Trustees. An individual may hold more than one office.

3. Election, Term, Resignation, Removal, and Vacancy of Officers.

3.1 The Board Chairperson and other Board and corporate officers shall be elected for one (1) year terms by the Board of Trustees at its May or June meeting. The official year of service shall commence on the first day of the fiscal year and end on the last day of the fiscal year. There shall be no term limits and no automatic progression through the officer positions.

3.2 Each officer of the Board and officer of the corporation shall hold office at the pleasure of the Board (but removal shall not affect the rights, if any, of any officer under contract of employment) and until his or her successor shall be elected and shall have qualified.

3.3 The resignation or removal of any officer shall automatically terminate his or her position as an officer. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled for the unexpired term at any meeting of the Board of Trustees.

4. Board Chairperson. The Board Chairperson, or in his/her absence, the Board Chairperson-elect shall preside at all meetings of the Board of Trustees and exercise and perform such other powers and duties as may from time to time be assigned by the Board of Trustees. The Chairperson or the Chairperson's designee shall serve as the official spokesperson for the

corporation. The Chairperson is a required and voting member of the Board of Directors of Albertina Kerr Centers, Inc.

5. Chief Executive Officer. Subject to control of the Board of Trustees, the Chief Executive Officer shall have general supervision, direction and control of the business and affairs of the corporation. He/she shall be an advisory member of all the committees of the Board of Trustees, and shall have the general powers and duties of management usually vested in the office of the Chief Executive Officer of a corporation, as well as such other powers and duties as may be prescribed by the Board of Trustees and these Bylaws. The Chief Executive Officer shall provide regular written reports to the Board of Trustees on the activities of the corporation, and shall provide monthly financial reports and annual audited financial reports to the Board of Trustees.
6. Secretary. The Secretary shall keep, or cause to be kept, at the principal office of the corporation, the original or a copy of the Articles of Incorporation and Bylaws as amended. The Secretary also shall keep, or cause to be kept at the principal office, or at such other place as the Board of Trustees may order, a book of minutes of all meetings of the trustees. The Secretary shall give or cause to be given notice of all meetings of the Board of Trustees required by these Bylaws or law, and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or these Bylaws.
7. Treasurer and Chief Financial Officer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receivables, payables, profits and losses. The books of account shall at all times be open to inspection by any trustee. The Treasurer shall use such depositories as may be designated by the Board of Trustees and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees and these Bylaws.
8. Resignation. Any officer may resign at any time by giving written notice to the Board of Trustees, the Chief Executive Officer, or the Board Chairperson. Any such resignation shall take effect on the date of receipt of such notice or any later time specified therein and the acceptance of such resignation shall not be necessary to make it effective.
9. Removal. Any officer elected or appointed may be removed, with or without cause, by the Board of Trustees whenever in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.
10. Vacancies. Any vacancy in an office shall be filled as they occur and not on an annual basis. Should a vacancy occur in any office, the Board of Trustees may delegate the powers and duties of such office to any officer or trustee until such time as a successor officer has been elected or appointed.

**ARTICLE VI**

**COMMITTEES**

The Board of Trustees may appoint such committees as it seems appropriate or necessary and shall define the duties of such committees. The committee shall consist of one (1) or more trustees, who will serve at the pleasure of the Board. No committee may: (a) authorize distributions; (b) approve or recommend to the member dissolution, merger or the sale, pledge or transfer of all or substantially all of the corporation’s assets; (c) elect, appoint or remove trustees or fill vacancies on the Board of Trustees or on any of its committees; or (d) adopt, amend or repeal the Articles of Incorporation of the corporation or these Bylaws.

**ARTICLE VII**

**GENERAL PROVISIONS**

1. Authorization. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

2. Funds. All funds of the corporation not otherwise employed shall be deposited to the credit of the corporation in such banks, trust companies or other depositories as the Board of Trustees may select.

3. Acceptance of Gifts. The Board of Trustees may accept for the benefit of the member any contribution, gift, bequest or devise for any purpose of the corporation.—

4. Investment Oversight. The Board of Trustees will (a) review the Foundation’s Investment Policy annually and may revise it from time to time; (b) review the performance of the Foundation’s investment advisors quarterly regarding compliance with the Investment Policy and performance against agreed upon benchmark comparisons; (c) periodically, but at least every 4 years, review the qualification and performance of the investment advisors and determine whether to retain the current investment advisor or select a new advisor; and (d) annually review requirements under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) or other applicable law and current standards.

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5. Spending Rate. The Board of Trustees annually will determine a spending rate up to a maximum of 7% of the endowment investment portfolio based on a 13 quarter trailing average. Consideration will be given to the needs of Albertina Kerr Centers, Inc., investment goals, and to the fiduciary responsibility under UPMIFA or other applicable law and current standards.

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6. Distribution of Income. Endowments and property to be managed will be retained and managed by the Foundation. The net income from the endowments and property being managed will be distributed in accordance with the approved annual budget of the member.

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57. Audits. Annually, the accounts of the Foundation will be audited by a reputable Certified Public Accountant, whose report shall be submitted to each member of the Board.

68. Bond. At the direction of the Board of Trustees, any officer or employee of the corporation shall be bonded. The expense of furnishing any such bond shall be paid by the corporation.

7-9. Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Trustees.

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8-10. Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority shall be general or confined to specific instances.

~~9. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Trustees may select.~~

10-11. Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

## ARTICLE VIII

### INDEMNIFICATION

The Foundation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative other than an action by or in the right of the Foundation, by reason of the fact that he or she is or was an Officer, Trustee, employee or agent of the Foundation or is or was serving at the request of the Foundation as an Officer, Trustee, employee, or agent or another corporation, against expenses including attorney fees, judgment, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The Foundation shall similarly indemnify any person described in the foregoing sentence against any threatened, pending or completed action or suit by or in the right of the Foundation if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Foundation. The foregoing indemnification provisions are adopted pursuant to ORS 65.414 as additional provisions to those provided for in ORS 65.387 to 65.411.

## ARTICLE IX

### CONFLICTS OF INTEREST

#### 1. Trustee and Officer Conflicts of Interest.

1.1 A contract or other transaction between the corporation and (a) one or more of its trustees or officers, or (b) any other entity in which one or more of the corporation's trustees or officers are directors, trustees, officers or members, is or are financially interested is valid, notwithstanding such relationship or interest or because any such trustee or officer is present at the meeting of the Board of Trustees or a committee of the Board which authorizes, approves or ratifies such contract or transaction or because his/her votes are counted for such purpose, if any of the following applies:

- a. The material facts of the transaction and the trustee's or officer's relationship or interest are disclosed or known in advance to the Board of Trustees or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of those interested trustees; and
- b. The contract or transaction is fair and reasonable to the corporation at the time the contract or transaction is authorized, approved, or ratified in the light of the circumstances known to those entitled to vote on the matter at that time.

2. Conflict of Interest and Acknowledgement of Standards of Conduct Statements. Upon appointment and re-appointment to the Board of Trustees each such trustee shall be required to execute a "Board Member Job Description" and a "Board Member Code of Ethics" statement affirming a trustee's commitment to act in the best interest of the corporation and abide by its conflict of interest policies. Each trustee shall immediately report to the corporation in writing any statement or facts which are, or might be construed to be, in conflict with the interests of the corporation.

## ARTICLE X

### DISSOLUTION

Upon the dissolution or liquidation of the corporation, the assets of the corporation shall be distributed according to the Articles of Incorporation.

## ARTICLE XI

### AMENDMENTS

Subject to the limitations set forth in Article III, Section 2, these Bylaws, or any part thereof, may be amended or repealed and new Bylaws may be adopted only by affirmative vote of two-thirds



(2/3) of the Board of Trustees then in office, at a meeting at which a quorum of three-fourths (3/4) of the trustees are present.

**ARTICLE XII**

**SEAL**

A corporate seal is not required on any instrument executed for the corporation. If a corporate seal is used, it shall have inscribed thereon the words "Albertina Kerr Centers Foundation."

**CERTIFICATE OF SECRETARY**

I, the undersigned, do hereby certify:

1. That I am the duly appointed and acting Secretary of Albertina Kerr Centers Foundation, Inc., an Oregon nonprofit, public benefit corporation; and
2. That the foregoing Bylaws constitute the Amended and Restated Bylaws of the corporation as duly adopted by the Board of Trustees.

IN WITNESS WHEREOF, I have executed this Certificate as of this 16th day of August, 2017.

\_\_\_\_\_  
Holly Edgar, Corporate Secretary

Revised and approved by the Trustees  
Albertina Kerr Centers Foundation, Inc.

## FY20 Fundraising Progress to date – April 13, 2020

### Overall results to date

FY20 fundraising goals and progress to date are outlined on page 28. Results show that while we raised an additional \$167,000 in **Cash and Pledges** since our February update, this progress is offset by our having to defer \$125,000 in race revenues to FY21 because we have postponed Rip City Race for the Roses, previously scheduled for April 26<sup>th</sup>, due to Covid-19.

In our February update, we reported that if we could not realize work force housing (WFH) grants of \$425,000 this fiscal year, we would fall short of our fundraising goals for the year by at least \$425,000 and potentially more based upon risk factors outlined at that time. Since February, we have confirmed that we will not receive confirmation of City of Gresham funding for our WFH project by the end of the year and our fundraising efforts and projections have been significantly affected by Covid-19.

Accordingly, we are now projecting to fall significantly short of our fundraising goals for FY20 due to:

1. \$425,000 in WFH pledges budgeted for this year will not be booked until FY21 based upon Gresham's decision timeline of July/August 2020.
2. We are unable to secure a small number of large gifts included in our budget projections (e.g. \$375,000 from J. Schnitzer, Collins, Legacy and Hatfield Foundations combined).
3. In light of above, outstanding, projected grant revenues of \$330,500, including projections from pending Covid-19 grant requests of nearly \$400,000, fall \$479,000 short of our budget target for grants.
4. Race revenues budgeted at \$189,000 cannot be realized in FY20 due to postponement and possible cancellation of our race.
5. Our ability to secure outstanding individual and corporate gifts may be negatively impacted by Covid-19 economic impacts.

Based upon these factors, we estimate that our year end fundraising shortfall will be approximately \$665,000 on a **Cash + Pledges** basis and approximately \$768,000 when in-kind revenues are taken into account. Details of our projected shortfalls are shown on page 28 and highlighted in green. Any new planned gifts realized before June 30 would reduce our projected shortfalls.

In addition to the above projected fundraising shortfalls, revenue from TOKNA businesses will also fall significantly short of budget due to State mandated closures which began on March 16<sup>th</sup>. If Albertina's Place remains closed through the end of June, TOKNA business revenues will fall short of budget targets by an estimated \$195,000 (\$166,000 due to lost revenues for March 16 through end of June + \$29,000 in revenue shortfalls through January).

Projected fundraising + TOKNA business revenue shortfalls will be compounded by any investment shortfalls.

We do anticipate AKF cost savings due to hiring freezes for 2 open positions, reduced event costs for cancelled events (race + Discover Kerr), reduced cost of goods sold, and general cost saving measures across the board. These savings are broadly estimated to equal greater than \$200,000.

What a bummer! Because we were doing so well. Pages 29 through 30 show very positive fundraising trends for FY18-20 through April. Thank you all for making the latter successes possible!

**What we're doing in response to all of the above:**

We are working diligently to secure Covid-19 relief funding where we can find it (e.g. OCF, Providence Health Services, and SAIF Covid-19 relief funds). We currently have more than \$400,000 in Covid-19 relief requests out there or being prepared. We emailed a Covid-19-related appeal to Kerr's base on March 23<sup>rd</sup> and have received \$12,000+ in response. We are creating a Covid-19 relief fund to be promoted by a Kerr "Magic Moments" storytelling campaign to include a series of brief stories about the power of Kerr's continued 24-hour care through Covid-19. It is possible that we will secure funding to match gifts made to the fund. We are proactively reaching out to select institutional donors to know if any opportunities exist or may become available to secure Covid-19 relief funding. We are strategically making individual asks where we can. We are researching whether funding opportunities are available in industries and businesses that are experiencing increased revenues as a result of the crisis (online retail & consumer electronics). We are reaching out to Kerr donors and volunteers to see how they are faring and if and how we can help them during the current crisis.

**How Board Members/Trustees can help:**

1. Research whether your firm or employer has Covid-19 relief funds, including special employee matching funds, that Kerr may be eligible for and, as appropriate, help Kerr to access them. If yes, please let Anne know. Thank you, Lisa Powell, for connecting us with Providence Health Services' Covid-19 grant opportunity! Additionally, if you have connections with any philanthropic foundations that may be providing Covid-19 relief funding, please let Anne know so we can explore and determine whether Kerr is eligible.
2. If you would like to send an appeal to your friends, family and/or colleagues, we can provide/customize whatever tools you need. If you would like to do so, please contact Anne or Chris Canter and we'll walk you through it. Thank you, David Wilson for personally committing a very generous gift to Kerr this year and actively reaching out to strategic Kerr donors to match your gift!
3. We are currently still planning for our 24 Hours of Kerr Gala on September 14<sup>th</sup> and very much appreciate your support in continuing to shepherd and confirm corporate and individual table sponsorships. If you would like a sponsorship package to share or have questions about how you can help on this front, please reach out to Anne or Justin.
4. Finally, if you have not already made your own financial commitment to Kerr this year and you are in a position to do so, please let Anne or Chris Canter know.

**Changes to our 2020 Event Calendar:**

As mentioned, it is necessary to postpone or cancel this year's Rip City Race for the Roses. We've communicated to our registered racers that we are assessing our options which include deferring to 2021, hosting a virtual race or, there is a slim chance we will be able to proceed with a live race this fall in a combined community race with Shamrock, Bridge to Brews and Rip City Race for the Roses. Stay tuned. We are in the process of cancelling Discover Kerr 2020, scheduled for June 4<sup>th</sup> at the Hilton and deferring to Wednesday, June 9<sup>th</sup> of 2021. This will result in a cost savings of approximately \$26,000 for FY20. We have not yet made any adjustments to 24 HOK, still scheduled for September 14<sup>th</sup> (country gala) and September 21<sup>st</sup> (golf tournament).

Thank you for making Kerr's continued success possible! We're wishing you all safety and health.

**FY20 Campaign Performance through 4/10**

Description	Total Given 4/10/2020	Goal FY20	%Goal	Last Year Total Given 4/5/2019	Variance (FY19 vs. FY20)	Ousting to raise or below budget	+/- from 2/19/2020	Projected thru June 30 2020	Notes
24 HOK	\$498,298	\$460,500	108%	\$395,290	\$103,008	(\$37,798)	\$1,764	\$498,298	
Christmas Ships		\$0		\$64,761	(\$64,761)	\$0	\$0	\$0	
Race for the Roses	\$0	\$189,500	0%	\$0	\$0	\$189,500	(\$100,884)	\$0	(1)
Corporate and Workplace Giving	\$74,587	\$150,000	93%	\$44,335	\$30,252	\$10,964	\$22,771	\$150,000	
Third party fundraising	\$64,449	\$0		\$62,673	\$1,776		\$0		
Endowment Funds	\$143,789	\$150,000	96%	\$114,917	\$28,872	\$6,211	\$0	\$178,789	
Individual Giving	\$474,638	\$600,000	79%	\$372,365	\$102,273	\$125,362	\$44,540	\$524,638	(2)
Grants	\$899,048	\$1,708,500	53%	\$1,346,095	(\$447,047)	\$809,452	\$73,787	\$1,229,548	(3)
TOKNA Donations/Dues	\$19,627	\$8,074	243%	\$12,416	\$7,211	(\$11,553)	\$92	\$19,627	
<b>Total Cash &amp; Pledges</b>	<b>\$ 2,174,436</b>	<b>\$ 3,266,574</b>	<b>67%</b>	<b>\$ 2,412,852</b>	<b>\$ (238,416)</b>	<b>\$ 1,092,138</b>	<b>\$ 42,071</b>	<b>\$2,600,900</b>	
Grant a Wish Holiday Giving	\$60,121	\$50,750	118%	\$52,207	\$7,914	(\$9,371)	\$1,693	\$60,121	
In-kind contributions	\$63,871	\$300,000	21%	\$82,786	(\$18,915)	\$236,129	(\$161,760)	\$63,871	(4)
<b>Total In-Kind</b>	<b>\$ 123,992</b>	<b>\$ 350,750</b>	<b>35%</b>	<b>\$ 134,993</b>	<b>\$ (11,001)</b>	<b>\$226,758</b>	<b>(\$160,067)</b>	<b>\$123,992</b>	
<b>Grand Totals</b>	<b>\$ 2,298,428</b>	<b>\$ 3,617,324</b>	<b>64%</b>	<b>\$ 2,547,845</b>	<b>\$ (249,417)</b>	<b>\$1,318,896</b>	<b>(\$117,997)</b>	<b>\$2,848,884</b>	

Projected Fundraising Shortfall "Cash & Pledges" basis =  
Projected Fundraising Shortfall Cash + In-kind =

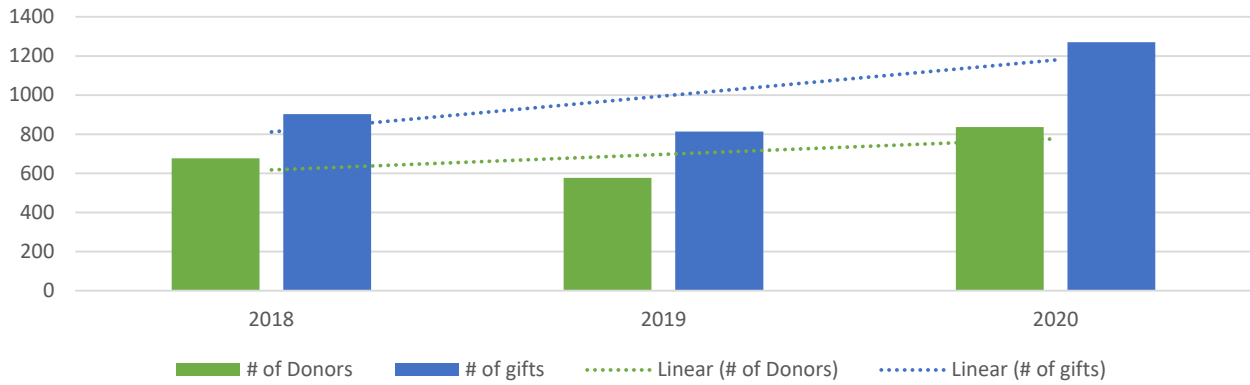
\$ 665,674  
\$ 768,440

FY19 YTD - Cash	\$ 2,412,852
FY19 YTD - In-Kind	\$ 134,993
<b>FY19 YTD Total</b>	<b>\$ 2,547,845</b>
<b>FY19 Goal</b>	<b>\$ 2,962,200</b>
<b>FY19 YTD %</b>	<b>86%</b>

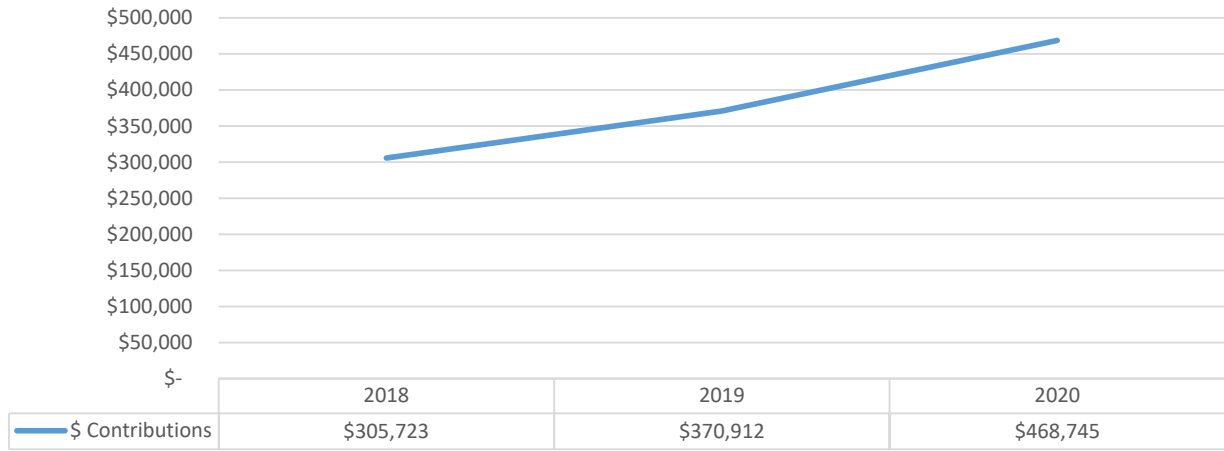
**Notes:**

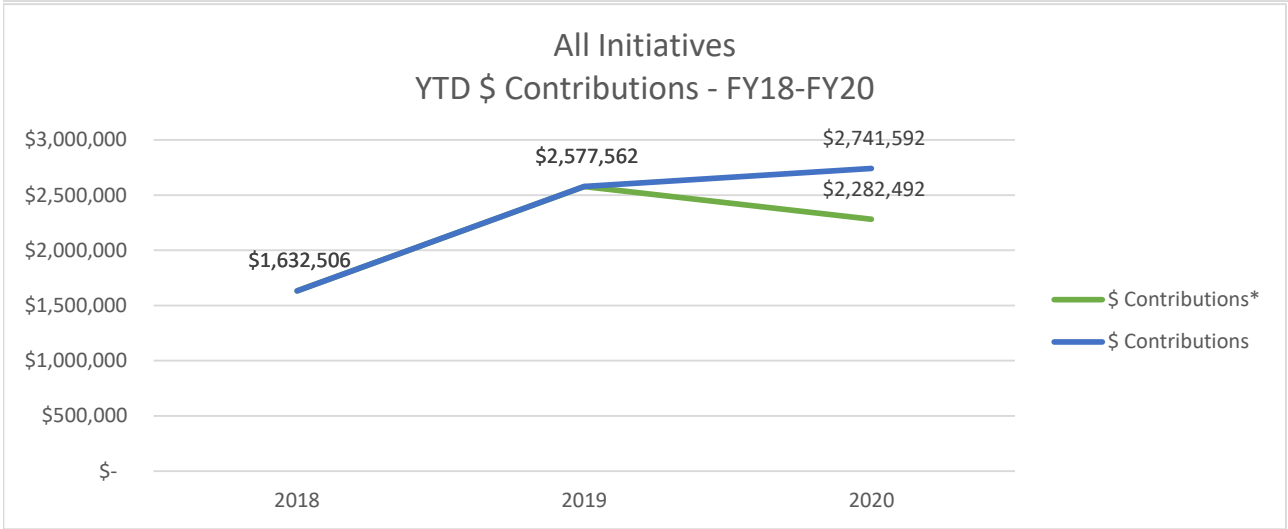
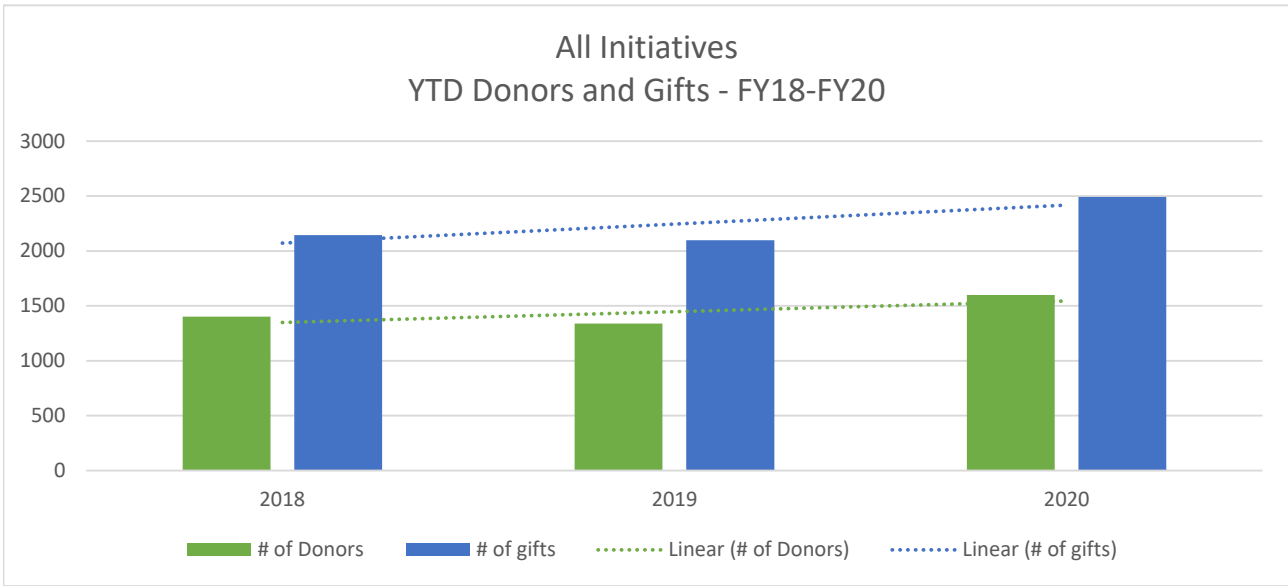
- (1) \$125,000 in race revenues received as of April 2020 are being deferred to FY21 as a result of Covid-19
- (2) Does not include \$55,000 in pledges from D&K Wilson + D&M Gilliam + F&L Bartsch, currently restricted to FY21
- (3) Does not include \$300,000 MMT + \$125,000 MJMCT WFH funds conditional upon substantial funds raised for project + \$34,100 in HEDCO funds to be matched.
- (4) Reduced by \$175,000 in-kind race revenues - Entercom radio advertising

### Individual Giving YTD Donors and Gifts - FY18-FY20



### Individual Giving YTD \$ Contributions - FY18-FY20





\*Green does not include \$425,000 in conditional WFH funds conditional