

MINUTES

**GOVERNOR'S TASK FORCE ON
ENDOWMENTS AND PHILANTHROPY**

Northwest Power Planning Council Conference Room
September 11, 2003

Present:

Sue Talbot (chair)
Barbara Anthony
Cheri Burns
Linda Coulston
John Delano
Fran Galvin

Spence Hegstad
Amy Kelley
Galen McKibben
Dennis Peterson
Clark Pyfer
Ralph Yeager

APPROVAL OF JUNE MINUTES

Sue asked if anyone would like to see any corrections made in the June minutes. Hearing none, Ralph moved that they be accepted as distributed. Linda seconded the motion; all approved by voice vote.

SPECIAL SESSION

Sue asked whether anyone had more solid information about whether or not there would be a special legislative session this fall. John said not before January; the way the budget is going, he doubted there would be a January session either. There was some discussion around "what if" a special session was called. John thought that even if a special session were called, it would be for selected items only, not an open agenda. Sue suggested the discussion be put off until there is more sense that a special session is imminent.

FINANCIAL REPORT

Ralph handed out the most recent statement of financial activity for the Task Force, which showed no new contributions and \$4,196.20 in expenses for an ending fund balance of \$1,419.96.

Sue noted that the balance is not as high as the group would like. Ralph noted that Judy Held was meeting with a hospital that committed to a \$1,000 contribution.

Sue suggested the group strategize about ways to raise more money. Ralph reiterated that at the last meeting the Task Force discussed a draft development plan (he redistributed copies of it). He suggested that a Development Committee be appointed, which at each future meeting would report to the whole on financial activities. Ralph said he would be happy to volunteer; he also suggested John Scibek would be a helpful addition (he said that he and John had discussed using Internet software to narrow down

a search for new foundations from which to seek funding). Ralph said the TF would be wise to go back to those who've given in the past but for whatever reason did not give during this most recent round of fundraising activity.

Cheri agreed; she asked whether anyone approached the Credit Unions. Steve asked whether the Credit Unions made contributions; Linda said yes, they do. Sue also thought there might be hospitals we missed. She also suggested that someone follow up with the Rocky Mountain Elk Foundation. Steve volunteered to help with the fundraising, although noted that he is currently tied up in a different capital campaign. He volunteered to create a database – with Galen's help. Galen suggested using the Foundation Center's database. Sue reported that she'd spoken with Jeanne Wolverton about Steele Reese, and found out that they are drastically cutting back right now. She also will follow up with Robin Tawney at the Cinnabar Foundation. Sue suggested that we move on these assignments immediately, so as not to be caught off guard should a special session be called.

Steve moved that a development committee be established. Sue suggested that she first solicit volunteers, then draft members if volunteers don't come forward. Ralph suggested that the next meeting be devoted in part to development work, to look over the plan, assign tasks, and brainstorm potential donors. Sue agreed. She suggested that Ralph chair the development committee, and assigned John Scibek, Judy Held, Dennis, and Barb to the committee as well.

SUCCESS STORIES

Sue asked Ralph whether he'd received any stories from TF members since the last meeting, as discussed. Ralph said he'd not received any since Steve's piece about Pauline Allen, which he'd already used in MCF materials.

Steve said that when the Montana Community Foundation was formed, he started thinking about corporate foundations, and why most operate as pass-throughs while very few had endowments. The former gives the corporation more immediate impact on a charity, but the latter allows for long-term impact. He thought it would be good to tell a story about the value of corporate endowments. It's akin to the tortoise and the hare; not that hares are "bad," but that it's a good idea, like a retirement fund, to put away money when times are good.

Steve went on to say that the Copper Kings made more money than anyone in the world, and they were certainly entitled to give it to their shareholders, but because of the way the federal tax law worked, when they died they left huge sums to out-of-state charities. Very little was left in Montana. A lot of money made here didn't stay here. Steve remembered that when the TF made the pitch to New Ventures for funding, they talked about endowments—but New Ventures didn't understand why the focus on endowments. Steve explained that Montana has been through so many "booms and busts" we know the value of endowments. He thought it would be interesting to investigate why certain corporations chose to create endowments. Fran said that the sentiment behind forming an endowment—that the company would still be able to support the community when there's a rainy day—is sometimes hard to sell.

Ralph noted that he found it interesting how nonprofits approach corporations. One he knew of asked Delta Airline for free tickets and they said “No, we have a foundation and gift money, but not tickets.” Fran agreed, and added that one thing she’d learned in grant writing was that you need to find out what the grantor can and wants to do. For example, she said that groups would ask Montana Power to pay their utility bills, although the company was prohibited by law from doing so. So they’d have put the time into writing a grant, but would be turned down until the next granting period.

PROMOTIONAL VIDEO

Sue explained that John Scibek had given her a video to play for the group, from a company that could put one together for us should the TF decide to pursue that. John said to look at the video for the quality of the work, not for the content. He developed some “storyboards” for the group to look at, with titles, photos of the speaker, and text that the speaker might say. The speakers include a financial advisor, a small business owner, and a donor. John stressed that Sue should tell everyone that this is just a jumping off point, not a final proposal.

Sue asked the group what they thought of the concept after reading the storyboards. The response was positive. Sue said that she might be meeting with the potato farmer family this weekend and they could be added to the list of speakers.

The group watched the video.

Sue explained that John Scibek had spoken with Gus Chambers about doing a video for us, and although he’d do a great job he’s basically unavailable until next year. Gus recommended this company. If we wrote the storyboards, it would cut the price down a lot. If the company had to travel to video speakers, it would raise the price. John was quoted a price range of \$4-5,000. Sue noted that our current budget wouldn’t allow it. She asked people what they thought of the idea of a video in general.

Fran asked whether it would be used for a target audience, or played over Montana TV networks? Sue said that’s an open question. Galen suggested that a \$4,000 pricetag would be for a very short piece, not a 20-minute video. Barb agreed, and said that her organization budgets \$1,000 per minute for a video. Sue thought that, based on the storyboards, we were talking about a 4- 5-minute video.

Galen’s sense was that given how fast information displays on TV these days, a video shouldn’t come across as plodding. He also warned that videos get out of date very quickly. He noted that the choice of director is extremely important.

Barb asked how the video would be used. Sue explained that the original idea was to use it at the “Lunch & Learn” sessions to help teach financial advisors how to talk about planned giving to their clients. The idea came up when it was suggested that a role-play session would be helpful, but too hard to pull off. She wasn’t sure whether the storyboards as they are accomplish that goal. She also wasn’t sure whether or not the same video could be used for marketing. Steve thought those two categories were not mutually exclusive. We have a good story to tell—we should be able to tell it in every format, including the web site. Galen suggested as another cost-saving measure having

(e.g.) someone from the Sidney TV station go out and film the local person. That way we'd have high quality footage that could easily be converted to digital. Cheri suggested that, from a CPA's perspective, if we show it much beyond November or December they'll be getting tied up in tax season; they may attend a Lunch & Learn, but probably not take the time to watch a video.

Steve commented that the more he'd been thinking about storyboards and costs, he wondered whether the whole idea might take away resources we need to get the stories out into every Montana community. He thought that strategy has been behind the Task Force's success all along. He also worried that a video wasn't the most powerful way to reach people, and that the message could get lost if the graphics were too flashy. Ralph agreed that the TF has done a great job in letting people know about the tax credit, and that at this point it's probably fairly well institutionalized, and therefore we shouldn't spend our efforts on making a video about the basics—we're beyond that.

Sue reiterated the idea behind the video as a training tool. Steve thought that the storyboards don't serve that purpose. He put a question to the group to serve as a metaphor: do you think any kid in the U.S. does not know that smoking is bad for you? If not, do you then give up trying to communicate that message? The answer is no—you try a different method, get creative. He then asked if the group thought that there's a CPA in Montana who doesn't know about the tax credit? Probably not. We don't need to be telling people "hey—there's a tax credit out there and you should use it." We need to be changing behavior. It's not rational. The storyboards are too rational. Cheri agreed: we've been getting the information out there, but we need to help people be better salesmen.

Dennis pointed out that statistics on charitable giving prove that professional advisors are often an important part of significant gifts. Steve jokingly suggested the storyboards should say: "I've been trying to save money and my financial advisor told me about the tax credit—so I doubled his fee!" Fran shared with the group some newsletters she'd collected from various nonprofits that talk about the tax credit to their members. She asked whether MCF mails out their newsletter to other nonprofits. Ralph said all of their donors, as well as a list of financial advisors, receive their newsletter.

Ralph felt that a video would not improve the Lunch & Learns. He's attended several; Jim is very engaging, and Ralph worried that turning the lights off and switching to a video would lose people's attention.

Steve suggested doing 30-second PSAs, each with the tag line: "Ask your financial advisor about the Montana Charitable Tax Credit." He suggested that the new governor of Montana might be a good person to do them. He proposed that the Task Force approach the two final candidates and ask them to take a leadership role philanthropy efforts as the previous governors have. Clark agreed that it was a good idea to get the next governor involved before taking office; that way we'd be halfway there in terms of educating the legislature as well.

Sue voiced what she understood as the group's feeling: that the original idea of producing a video to go along with the Lunch & Learn sessions is not something we want to pursue. Clark asked if anyone asked Jim for his opinion on this. Sue remembered discussions in

meetings past when he seemed lukewarm to the idea. Steve reiterated that he didn't think anything was wrong with the concept, but questioned whether anything discussed to date advances that idea.

TASK FORCE MEMBERSHIP

Sue suggested that Sid Armstrong be asked to join as a member of the Task Force. All agreed. She reported that John Scibek had spoken with Steve Daniels about joining, but still hasn't heard back from him (he was Mick Maierlie's suggested replacement as someone to represent the insurance sector). Clark recommended Peter Sullivan; Clark and Steve will ask him. Steve suggested Larry Hauser, who'd come in the past as a representative of the DOR. Clark suggested Judy Paynter. Sue reported that Sharen Peters wants to continue on, as would Alberta, but she will have to participate by phone. She said that both Tim McCauley and Judy Wing are tied up in the United Way campaign, and may be absent from meetings the next few months. Someone had suggested John Cobb at a previous meeting; Steve will follow up with him. Steve asked about Mike Halligan; Sue hasn't heard back from him, but will write the Governor to have her appoint him. Linda will follow up with George Cole (Bozeman PBS).

WEB SITE

Galen said there's nothing new to report since the last meeting. Amy will make sure that the most recent minutes are posted and will update the TF Directory both for Galen and for the group.

NEXT MEETING

It was agreed that the next meeting would be held on **Thursday, October 9, from 10 AM to 2 PM at the Northwest Power Planning Council.**

Meeting adjourned at 1 PM.