

**RICHMOND ART CENTER
MINUTES OF BOARD OF DIRECTORS ~ December 19, 2013**

Location: RAC, Resource Room Time called to order: 5:31 p.m. Time adjourned: 7:35 p.m.

- Members present: Andrea Biren, Inez Brooks-Myers, Donna Brorby, Connie Tritt, Sue Hartman, Yolanda Holley, Matt Jacobson, Bernadette Jones, Terry Kotsatos, Edric Kwan, Ellengale Oakley, Susan Wittenberg,
Members Absent: Anna Blackman, Susan Brand, Bob Connolly, Peter Dodge
Staff present: Richard Ambrose, Executive Director; Rebeca Garcia-Gonzalez, Director Art In Community
Others Present: Juhi Tamboli, Haas Business School Board Fellow

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Handouts Distributed or emailed prior to meeting:

- 1) Board Meeting Agenda for December 19, 2013 (attached)
- 3) Minutes of Board of Director’s Meeting, November 21, 2013
- 4) Treasurer’s report -- Balance Sheet, Profit and Loss Statement, and Cash Flow Schedule as of November 31, 2012
- 5) RAC Investment Policy (attached)
- 6) Primer For Investment Program for RAC (attached)
- 7) Executive Director’s Report – November 2013 (attached)
- 8) Board Member Term Chart (attached)
- 9) Three Ethics/Code of Conduct/Values documents (circulated to board previously for November meeting) (attached)

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1. Introduction of Art in the Community Program Director Rebeca Garcia-Gonzalez. The board president introduced Art in the Community Director Rebeca Garcia-Gonzalez and board members who did not know her personally introduced themselves. Rebeca described the outline of her path from her native Puerto Rico to being director of the Art in the Community Program at the Richmond Art Center. She is a trained and experienced artist and a trained and experienced teacher, both of youth and of teachers. She had experience working for nonprofits before the Richmond Art Center. At the Art Center, she is in her second year on staff; before she joined the staff, she taught studio classes for over 5 years. She loves her job as AIC director at RAC, which requires her to draw on her training and experience as an artist and as a teacher and allows her to do what she likes doing. (Several board members expressed their appreciation for the very good job that Rebeca is doing.)

Rebeca summarized the Art in the Community program and her work, to a certain extent. The AIC program involves classes at the Art Center, such as the STEAM pilot last summer, as well as artist-teacher directed activities at schools and community centers and libraries. Most but not all students are from families that qualify for federally-supported free and reduced school lunches. The artist teachers are artists, not simply art teachers. They model for students what artists are and do. They teach that art is a process not just a product. Some of the artist teachers hired by RAC are trained and experienced teachers but many are not. Part of the AIC program is to train the artists to teach. Rebeca does that training.

The AIC program is slowly growing. RAC had the program at 7 sites last year. There will be 9 sites this coming semester (Lincoln elementary, Helms middle, DeJean middle, Grant elementary, Portola

middle, Richmond Library, Shields-Reid Community Center, Nevin Community Center and YES). RAC is planning to add Washington Elementary School next year. RAC started AIC a year and a half ago. RAC has had previous community/school based programs over the course of its history. City of Richmond support makes this possible. A parent with development expertise who values AIC has volunteered to help the Art Center raise money for it for 4 schools. The City of Richmond is working with Perez and Cesar Chavez schools, and could introduce RAC to them.

RAC is developing the STEAM program. The arts part of STEAM is visual and performing. This requires retaining people who have an arts and education background and can write curricula.

Rebeca has a fixed once a week meeting with Ric and she meets regularly with the education committee. She visits sites to see the program in place every work afternoon, two or three sites each day. She welcomes visits of board members and would be happy to bring a board member with her on a site visit.

2. Approval of minutes of the November Board meeting. The board president referred the board to the draft minutes of the November board meeting that the secretary circulated by email in advance of the meeting. There were no corrections. Susan Wittenberg made the following

MOTION: *“I move that the Board approve the revised minutes of the public portion of the November 21, 2013 board meeting, as presented.”*

The motion was seconded by Sue Hartman. It passed unanimously.

3. Treasurer’s Report. Connie Tritt, Treasurer, reviewed the balance sheet, profit and loss statement and cash flow report for November 30, 2013. These documents are attached. These financial documents cover the first 42% of this fiscal year. It is important to look for anomalies (relative to the 42% figure).

The treasurer noted that HAF grossed \$32, 000 this year, way up from \$20,000 last year. This is explained largely by the art auction, which grossed and netted RAC \$15,000 this year and \$4,800 last year. This is a reflection of the quality and number of art pieces that were auctioned. By rough count, 1000 people attended HAF, more than the count for last year.

Education shows \$160K in income and \$177K in expenses. This figure combines studio classes and AIC and does NOT include AIC’s grant income. It appears that RAC is getting close to its goal that studio classes break even. In the future, RAC’s accounting will have to be tweaked to separate out studio classes and AIC so that this can be tracked.

RAC has been very successful in its grant applications for AIC.

Exhibitions has \$6,500 in income and \$47,000 in expenses.

At this time, RAC has a cash balance of approximately \$500,000. That money is held in accounts at Mechanics Bank (FDIC insured), Chase (FDIC insured) and Schwab (investment account, not FDIC insured). The Schwab account is used to receive stock gifts. Of that approximately \$86,000 is Regello Funds (restricted to use for scholarships). Because of its restricted purpose, the Regello money must not be mixed with RAC’s other moneys. \$128,000 is the balance of the loan from the City of Richmond. (The loan was \$161,000 for 5 years, 20% of it to be paid back in May each year 2013 – 2017.) The Finance Committee at its last meeting discussed whether and how any of the funds should be invested (as opposed to being held in FDIC insured accounts).

Matt Jacobson reviewed the Art Center's investment policy and the primer for investment, which are attached.

Based on the recommendation that came out of the Finance Committee, Matt Jacobson made the following motion:

Motion: I move that

- 1) a second account be opened at Charles Schwab for the purpose of investing \$80,000 of the Regello funds and that
- 2) \$90,000 be moved to the current Schwab account for the purpose of investing those funds pursuant to the Art Center's investment policy;
- 3) as intermediate term investments under the Board's investment policy, both pools of investment funds shall be invested using a dollar-cost averaging method, i.e., moving 1/12 of the funds into investments every month and shall be invested in a ratio of two-thirds into bond funds and one third into stock funds and that
- 4) the investments into which the funds shall be invested are: Schwab Total Stock Market Index Fund ;Schwab Short-Term Bond Market Fund ; Schwab Treasury Inflation Protected Securities Index Fund .

In connection with this motion, the board should understand that the Finance Committee is charged with overseeing these investments and making recommendations for adjustments as necessary, but no less than annually. It is further noted for the record that these funds are not endowment funds and are meant to be spent down.

Andi Biren seconded the motion. Terry Kosatos expressed reservations about investing the Richmond loan funds, which was \$64,000 of the \$90,000. He had no reservations about investing \$26,000 of the proposed \$90,000. Donna said that she did not feel comfortable voting on a financial matter that required judging between the opinions of two board members with expertise. She suggested that the Finance Committee revisit the matters on which Matt and Terry apparently disagree. Matt amended his motion, to substitute \$26,000 for \$90,000.

Motion: *I move that*

- 1) a second account be opened at Charles Schwab for the purpose of investing \$80,000 of the Regello funds and that**
- 2) \$26,000 be moved from an FDIC-insured account to the current Schwab account for the purpose of investing those funds pursuant to the Art Center's investment policy;**
- 3) as intermediate term investments under the Board's investment policy, both pools of investment funds shall be invested using a dollar-cost averaging method, i.e., moving 1/12 of the funds into investments every month and shall be invested in a ratio of two-thirds into bond funds and one third into stock funds and that**
- 4) the investments into which the funds shall be invested are: Schwab Total Stock Market Index Fund ;Schwab Short-Term Bond Market Fund ; Schwab Treasury Inflation Protected Securities Index Fund .**

In connection with this motion, the board should understand that the Finance Committee is charged with overseeing these investments and making recommendations for adjustments as necessary, but no less than annually. It is further noted for the record that these funds are not endowment funds and are meant to be spent down.

Andi seconded the amendment. The motion, as amended, passed with 11 “aye” votes. Inez Brooks-Myers abstained.

The treasurer explained that she still did not have a draft 990 for last year to share with the board. Edits have been submitted to the CPA preparing it, and the new draft has not been returned.

4. Executive Director’s Report. Ric Ambrose, Executive Director, referred the board to his written report for November 2013. It is attached. Some matters covered by the report were the subject of discussion noted above (HAF; AIC). Ric reviewed the status of the evaluation of options for renovation and expansion of the Art Center space.

5. Committee Reports.

a. Marketing Committee. Ric Ambrose reminded the board that there is \$3,000 - \$5,000 budgeted for redesign of the Art Center’s logo. The Art Center waited for the Taproot team marketing/messaging report to be completed before moving ahead with this. Ric reported that there were 18 applicants for the contract and three finalists. The Art Center selected McFadden & Thorpe for the contract. Ric reported that this is a “top notch” firm that has successfully designed logos for prominent local museums. He is very pleased that we have retained this firm.

b. Development Committee. Donna Brorby, chair of the development committee, reviewed the attached written report.

c. Education Committee. Susan Wittenberg, chair of the education committee, reported that the education committee continues to be a large committee that is functioning very effectively, supporting the very successful education department which has exceeded its objectives. The education department is moving more quickly than was anticipated towards the studio classes being self-supporting and it has exceeded its goals for securing grants to support the Arts in the Community program. The education strategic plan mixes up objectives and strategies: at this time, it is fine to have only 20 children in a class; the objective is to maintain the same 20 children in the class. Education department staff deliver the Art Center’s program. The education committee supports the staff. Staff and committee are focused on adding program evaluation for education programs. There have been two resignations from the education committee, due to natural attrition. The committee now meets at least quarterly and adds meetings as necessary.

d. Nominations Committee. Andi Biren, chair of the nominations committee, reported that the committee met. It was as a result of discussions at that committee that Andi has scheduled a staff member to address the board at every meeting (at least for the time being). The committee has no further report at this time.

e. Exhibitions/Curatorial Committee. Inez Brooks-Myers, chair of the committee, reported that there is a new Exhibitions Director, Anthony Torres. The committee is meeting next month.

6. New Business. There will be a staff retreat in January 2014 and a board/staff retreat on March 15, 2014. The purpose of both retreats is to update the strategic plan and build collaborative working relationships.

7. Old Business. Revision of Code of Ethics. The board chair reviewed the status of the revision of the Code of Ethics. The motion in November to replace the then-current code of ethics with three new ethics and values documents was tabled because the wrong drafts of the new documents were circulated

prior to the meeting; the correct drafts were not circulated. As discussed at the November 21 board meeting, pursuant to Section 11 of the By-Laws, on November 23, 2013, the board chair proposed the following motion regarding the attached ethics and values documents, by email:

That the current Code of Ethics be repealed and that there be adopted:

- 1) A Richmond Art Center Code of Conduct for **all persons in the facility** and that it be posted on the website, in classrooms, hallways, at the front desk and at the front door and loading dock. (Richmond Art Center Code of Conduct for All Who Enter Here);
- 2) The Richmond Art Center Code of Ethical Conduct to be signed annually by **employees and volunteers**. The **independent contractor** contract should be revised to add to paragraph 1 : “ and the RAC Code of Ethical Conduct.”
- 3) An Affirmation of Richmond Art Center Board Values and Responsibilities to be signed by the **Board and the Executive Director**.

The motion was seconded by Susan Wittenberg by email on November 24 and the motion was passed by a majority by email by December 5, 2013.

The board chair made the following motion:

Motion: *I move to confirm the that the Code of Ethics that was in effect for the Art Center as of the the board’s last meeting has been replaced with a Code of Conduct for posting, a Code of Ethical Conduct to be signed annually by employees and volunteers and referred to in the independent contractor contract and an affirmation of values to be signed by Board members and the Executive Director, which were circulated in advance of this board meeting and will be attached to the minutes of this meeting.*

The motion was seconded by Susan Wittenberg. The board confirmed the passage of the motion by eleven “aye” votes. Donna Brorby abstained.

7. Adjournment. The meeting was adjourned at 7:35 p.m.

Refreshments: Donna Brorby volunteered to bring refreshments for the January 23 meeting.

Upcoming Dates:

- Jan. 23 Board Meeting (back to 4th Thursday) 5:30 – 7:30**
- Jan. 25 *Language of Realism* – Panel 1-2 Reception 2-4**
- Feb. 1 *Unlock the Talk* – Reception 12-2 Panel & Workshop – 2-5**
- Feb. 8 *The Art of Living Black* – Panel 12-2 Reception 2-5**
- Feb. 14 THANKATHON by board members**
- Feb. 15 *The Art of Living Black* – Panel 12-2**
- Feb. 22 Jazz Art – 1-3**
- Feb. 27 Board Meeting – 5:30 – 7:30**

Board meetings are 5:30 to 7:30 the fourth Thursday of the month, except in November and December when the meetings will be on the third Thursday due to holidays.

Agenda for December 19, 2013 Richmond Art Center Board of Directors Meeting

Resource Room, Richmond Art Center

1. Introductions - Rebeca Garcia-Gonzales, AIC Director 10 minutes
2. Approval of Minutes of November Bd. Meetings (MOTION) 5 minutes Yolanda/Donna
3. Treasurer's Report - November's Financials 20 minutes Connie
- Investment Recommendation (MOTION) Matt
- 990
4. E.D. Report 10 minutes Ric
- Facilities
5. Committee Reports - 30 minutes
Development Donna
Education Susan W.
Finance Connie
Nominations Andi
6. New Business
MARCH 15 Date for ½ day Board-Staff retreat 5 minutes Ric
7. Old Business 5 minutes Andi
Confirmation of email vote on Code of Ethics (MOTION)
Volunteer hours – HAF & Hereafter
8. Adjourn – (MOTION)
Snacks next time

Upcoming Dates:

Jan. 23	Board Meeting (back to 4th Thursday) 5:30
Jan. 25	<i>Language of Realism</i> – Panel 1-2 Reception 2-4
Feb. 1	<i>Unlock the Talk</i> - Reception 12-2 Panel & Workshop – 2-5
Feb. 8	<i>The Art of Living Black</i> – Panel 12-2 Reception 2-5
Feb. 14	THANKATHON - please volunteer to make some calls!
Feb. 15	<i>The Art of Living Black</i> - Panel 12-2
Feb. 27	Board Meeting 5:30

Richmond Art Center Investment Policy

Introduction

This statement of investment policy was adopted by the Board of Directors of Richmond Art Center on June 28, 2013 to provide for the creation of, and guidelines for the management of various funds held by the organization. These policies supersede any and all prior actions regarding investment policies.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the following funds will be created and held as separate investment pools.

- **Operating Fund**
- **Short Term Reserve Fund**
- **Intermediate-Term Reserve Fund**
- **Long-Term Reserve Fund**
- **Endowment Fund**

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the mission of the Richmond Art Center and accurately reflects current financial conditions:
 - a. The Finance Committee shall review this investment policy annually.
 - b. The Finance Committee will recommend any changes in this policy to the Board of Directors.
2. The following procedures will be used to determine the dollar amounts to be placed into each of the various funds.
 - a. The Executive Director or his/her designee will recommend the dollar amounts to be held in the Operating Fund and Short-Term Reserve Fund
 - b. The Finance Committee will recommend the dollar amounts to be held in the Intermediate-Term Reserve Fund, Long-Term Reserve Fund and Endowment Fund.

Delegation of Authority

The Finance Committee is a fiduciary, and is responsible for directing and monitoring the investment management of the various fund assets on behalf of the Richmond Art Center. As such, the Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to Investment Management Consultant, Investment Manager, Custodian, and additional specialists.

It is anticipated that the services of a registered investment manager may be sought to manage portions of the Long-Term Reserve and/or Endowment Funds. The following procedure shall be followed to engage a new or replace a current investment manager:

- A. The Treasurer and the Finance Committee will recommend the hiring or replacing of an investment manager to the Board of Directors.
- B. The Treasurer and the Finance Committee will nominate prospective candidates and send a Request for Proposal to each candidate.
- C. The Treasurer and the Finance Committee will review proposals and interview candidates to determine appropriate investment manager(s).
- D. The Treasurer and the Finance Committee will make the hiring recommendation to the Board of Directors, who shall have the final approval.

Operating Fund

Purpose

The purpose of the Operating Fund is to provide sufficient cash to meet the day-to-day financial obligations of the Richmond Art Center in a timely manner.

Investment Objectives

The investment objectives of the Operating Fund are:

- Preservation of Capital
- Liquidity; and
- To optimize the investment return within the constraints above

Investment Guidelines

Allowable Investments

The Executive Director and Treasurer if authorized by the Board of Directors will invest the Richmond Art Center Operating Fund in FDIC insured accounts as follows:

1. Interest bearing Savings Account;
2. Certificates of Deposit at insured commercial banking organizations;
3. Money market funds
4. Interest bearing checking accounts
5. Direct obligations of the U.S. Government, its agencies and instrumentalities

Maturity

The maturities on investments for the Operating Fund shall be 12 months or less.

Reporting

The Executive Director or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors;

1. Schedule of investments;
2. Interest income year to date;

Short-Term Reserve Fund

Purpose

The purpose of the Short-Term Reserve Fund is to meet the expenses occurring as a result of unanticipated activities and to improve the return on the funds held for expenditure for up to five years.

Investment Objectives

The investment objectives of the Short-Term Reserve Fund are:

- Preservation of Capital;
- Liquidity; and
- To optimize the investment return within the constraints above

Investment Guidelines:

Allowable Investments

The Executive Director and Treasurer if authorized by the Board of Directors will invest the Richmond Art Center Short-Term Reserve Fund in FDIC insured accounts as follows:

1. Interest bearing Savings Account;
2. Certificates of Deposit at insured commercial banking organizations;
3. Money market funds
4. Interest bearing checking accounts
5. Direct obligations of the U.S. Government, its agencies and instrumentalities

Maturity

The Short-Term Reserve Fund shall have a weighted average maturity of three years or less. The maximum maturity shall be 5 years.

Reporting

The Executive Director or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors;

1. Schedule of investments which includes analysis of performance since purchase or last 5 years;

2. Interest income year to date;
3. Current Yield.

Intermediate-Term Reserve Fund

Purpose

The assets of the Intermediate-Term Reserve Fund shall be managed in such a way as to facilitate the organization's goals and objectives as outlined by the Board of Directors. Expenditure of the principal is board-designated unless otherwise designated by the donor(s) in part or in whole.

Investment Objectives

In order to meet its needs, the investment strategy of the Intermediate-Term Reserve Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management of the Intermediate-Term Reserve Fund shall be:

- Long-Term growth of capital – To emphasize the Long-Term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.
- Preservation of purchasing power – to achieve returns in excess of the rate of inflation over the investment time horizon in order to preserve purchasing power of agency and Trust assets. Risk control is an important element in the investment of Trust assets.

Investment Guidelines:

General Principles

1. Investments shall be made solely in the interest of the Richmond Art Center.
2. The assets shall be invested with care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in like capacity and familiar with such matters would use in the investment of a like fund.
3. Investment of these funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Richmond Art Center may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times by investment in Short-Term cash equivalents to provide safety, liquidity and return.

Specific Investment Goals

Over the investment time horizon established it is the goal of the Intermediate-Term Reserve Fund assets to realize a total return in excess of the rate of inflation, as measured by the Consumer Price Index.

The goal of the investment manager shall be to meet or exceed the benchmark as defined in the last section of this document.

Diversification

Investment Management of the assets of the Intermediate-Term Reserve Fund shall be in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Equities	20%	30%
Fixed Income	30%	60%
Cash Equivalents	0%	30%

The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate portfolio, such disciplines must fit within the overall asset allocation guidelines established in this statement.

The Finance Committee will meet annually to monitor and reevaluate investment allocation in reference to the Intermediate-Term Reserve Fund asset classes.

Allowable assets

The Intermediate-Term Reserve Fund requires that all investment assets be invested in marketable securities, defined as securities that can be traded quickly and efficiently for the Intermediate-Term Reserve Fund, with minimal impact on market price.

1. Cash Equivalents
 - a. Treasury bills
 - b. Money market funds
 - c. Commercial paper
 - d. Banker's acceptances
 - e. Repurchase agreements
 - f. Certificates of deposits
2. Fixed Income Securities of Intermediate maturity dates
 - a. U.S. Government and Agency securities

- b. Corporate notes and bonds (investment grade, at least BBB)
 - c. Mortgage-backed bonds
3. Equity Securities
 - a. Common stocks such as large cap/blue chip, and dividend-paying stocks)
 - b. Convertible notes and bonds
 - c. American Depository Receipts of non-US companies (ADRs)
4. Mutual Funds and ETFs (exchange-traded funds)

To ensure marketability and liquidity, equity investments shall be executed through nationally recognized exchanges such as the New York Stock Exchange, American Stock Exchange and NASDAQ.

Performance Reporting

The Intermediate-Term Reserve Fund will be evaluated at least semi-annually on a total return basis. The evaluation will be based on the stated investment goals. Comparisons will show results for the year-to-date. The report will be prepared by the Treasurer and will be presented to the Finance Committee at least semi-annually. The Finance Committee will present a report to the Board of Directors at least annually.

Long-Term Reserve Fund

Purpose of the Long-Term Reserve Fund

The purpose of the Long-Term Reserve Fund is to provide secure long-term funding for the mission of the Richmond Art Center. The assets of the Long-Term Reserve Fund shall be managed in such a way as to facilitate the organization's goals and objectives as outlined by the Board of Directors. Expenditure of the principal is board designated unless otherwise designated by the donor(s) in part or in whole.

Investment Objectives

In order to meet its needs, the investment strategy of the Long-Term Reserve Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Specifically, the primary objective in the investment management of the Long-Term Reserve Fund shall be:

- Long-Term growth of capital – To emphasize the Long-Term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.
- Preservation of purchasing power – to achieve returns in excess of the rate of inflation over the investment time horizon in order to preserve purchasing power of agency and Trust assets. Risk control is an important element in the investment of Trust assets.

Investment Guidelines:

General Principles

1. Investments shall be made solely in the interest of the Richmond Art Center.
2. The assets shall be invested with care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in like capacity and familiar with such matters would use in the investment of a like fund.
3. Investment of these funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Richmond Art Center may employ one or more investment managers of varying styles and philosophies to attain the Fund’s objectives.
5. Cash is to be employed productively at all times by investment in Short-Term cash equivalents to provide safety, liquidity and return.

Specific Investment Goals

Over the investment time horizon established it is the goal of the Long-Term Reserve Fund assets to realize a total return in excess of the rate of inflation, as measured by the Consumer Price Index.

The goal of the investment manager shall be to meet or exceed the benchmark as defined in the last section of this document.

Diversification

Investment Management of the assets of the Long-Term Reserve Fund shall be in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Equities	30%	70%
Fixed Income	30%	70%
Cash Equivalents	0%	20%

The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate portfolio, such disciplines must fit within the overall asset allocation guidelines established in this statement.

The Finance Committee will meet annually to monitor and reevaluate investment allocation in reference to the Long-Term Reserve Fund asset classes.

Allowable assets

The Long-Term Reserve Fund requires that all investment assets be invested in marketable securities, defined as securities that can be traded quickly and efficiently for the Long-Term Reserve Fund, with minimal impact on market price.

1. Cash Equivalents
 - a. Treasury bills
 - b. Money market funds
 - c. Commercial paper
 - d. Banker's acceptances
 - e. Repurchase agreements
 - f. Certificates of deposits
2. Fixed Income Securities
 - a. U.S. Government and Agency securities
 - b. Corporate notes and bonds (investment grade, at least BBB)
 - c. Mortgage-backed bonds
3. Equity Securities
 - a. Common stocks
 - b. Convertible notes and bonds
 - c. American Depository Receipts of non-US companies (ADRs)
4. Mutual Funds and ETFs (exchange-traded funds)

To ensure marketability and liquidity, equity investments shall be executed through nationally recognized exchanges such as the New York Stock Exchange, American Stock Exchange and NASDAQ.

Performance Reporting

The Long-Term Reserve Fund will be evaluated at least semi-annually on a total return basis. The evaluation will be based on the stated investment goals. Comparisons will show results for the year-to-date. The report will be prepared by the Treasurer and will be presented to the Finance Committee at least semi-annually. The Finance Committee will present a report to the Board of Directors at least annually.

Endowment Funds

Purpose of the Endowment

The purpose of the Endowment Fund is to provide permanent funding for the mission of the Richmond Art Center. The assets of the Endowment Fund shall be managed in such a way as to facilitate the organization's goals and objectives as outlined by the Board of Directors.

Investment Objectives

In order to meet its needs, the investment strategy of the Endowment Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management of the Endowment Fund shall be:

- Long-Term growth of capital – To emphasize the Long-Term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.
- Preservation of purchasing power – to achieve returns in excess of the rate of inflation over the investment time horizon in order to preserve purchasing power of agency and Trust assets. Risk control is an important element in the investment of Trust assets.

Investment Guidelines:

General Principles

1. Investments shall be made solely in the interest of the Richmond Art Center.
2. The assets shall be invested with care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in like capacity and familiar with such matters would use in the investment of a like fund.
3. Investment of these funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Richmond Art Center may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times by investment in Short-Term cash equivalents to provide safety, liquidity and return.

Specific Investment Goals

Over the investment time horizon established it is the goal of the Endowment Fund assets to realize a total return in excess of the rate of inflation, as measured by the Consumer Price Index.

The goal of the investment manager shall be to meet or exceed the benchmark as defined in the last section of this document.

Diversification

Investment Management of the assets of the Endowment Fund shall be in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Equities	30%	70%
Fixed Income	30%	70%
Cash Equivalents	0%	20%

The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate portfolio, such disciplines must fit within the overall asset allocation guidelines established in this statement.

The Finance Committee will meet annually to monitor and reevaluate investment allocation in reference to the Endowment Fund asset classes.

Allowable assets

The Endowment Fund requires that all investment assets be invested in marketable securities, defined as securities that can be traded quickly and efficiently for the Endowment Fund, with minimal impact on market price.

1. Cash Equivalents
 - a. Treasury bills
 - b. Money market funds
 - c. Commercial paper
 - d. Banker's acceptances
 - e. Repurchase agreements
 - f. Certificates of deposits
2. Fixed Income Securities
 - a. U.S. Government and Agency securities
 - b. Corporate notes and bonds (investment grade, at least BBB)
 - c. Mortgage-backed bonds
3. Equity Securities
 - a. Common stocks
 - b. Convertible notes and bonds
 - c. American Depository Receipts of non-US companies (ADRs)
4. Mutual Funds and ETFs (exchange-traded funds)

To ensure marketability and liquidity, equity investments shall be executed through nationally recognized exchanges such as the New York Stock Exchange, American Stock Exchange and NASDAQ.

Performance Reporting

The Endowment Fund will be evaluated at least semi-annually on a total return basis. The evaluation will be based on the stated investment goals. Comparisons will show results for the year-to-date. The report will be prepared by the Treasurer and will be presented to the Finance Committee at least semi-annually. The Finance Committee will present a report to the Board of Directors at least annually.

Definitions:

Benchmark: The benchmark for performance of investments is made up of one or more indexes or groups of securities weighted to reflect an investor's optimal asset allocation, style mix, or investment strategy. For example, a portfolio with a 60% U.S. Stock and 40% U.S. government bond split could be assigned a custom benchmark made up of 60% of the Standard and Poor's 500 Index and 40% of the Lehman/Barclays U.S. Treasury Index.

PRIMER FOR RICHMOND ART CENTER INVESTMENT PROGRAM

SOURCES OF CASH FOR INVESTMENT

1. Regello Bequest funds (portion thereof to be determined)
2. "Excess" funds in JP Morgan Chase account (from City loan)

APPROPRIATE INVESTMENTS, AS DETERMINED BY THE R.A.C. INVESTMENT POLICY

Since all of the Richmond Art Center's are currently invested in very short-term investment vehicles, which are cash equivalents (i.e., bank checking accounts and bank savings accounts), the Board intends to diversify the investment portfolio(s) by including additional types of investment assets. These assets would fall under the Investment Policy section on the "Intermediate-Term Reserve Fund."

The objectives of the Intermediate-Term Reserve Fund investments are:

- Long-term growth of capital
- Preservation of purchasing power

The investment categories that the Board intends to diversify the Art Center's cash equivalent assets are, as follows:

- Equities (stock investments)
- Fixed Income (bond investments)

The Board wishes to diversify the Art Center's investments for the purpose of increasing investment returns, while keeping associated costs to a minimum and investment risk at a tolerable level.

RECOMMENDED INVESTMENTS: "NO-LOAD" INDEX MUTUAL FUNDS

The least-expensive and lowest-risk type of investment vehicle to achieve the goals of the Art Center's Investment Policy would be stock and bond mutual funds that are indexed to mimic the broad market indexes. By their nature, they are less aggressive than "actively managed" portfolios and have very low management costs. In addition, shares in the funds are acquired without paying commissions (no-load).

The Richmond Art Center currently maintains a brokerage account with Charles Schwab & Co.'s Institutional division. The Board may use this account for the purpose of investing the JP Morgan Chase monies. It would be advisable to open a second account for the Regello assets so that there would not be any commingling issues that might cause bookkeeping difficulties.

At present, the funds available to Schwab investors that would be most-appropriate are:

- [Schwab Total Stock Market Index Fund](#) (Seeks to track the total return of the Dow Jones U.S. Total Stock Market IndexSM, which includes all U.S. headquartered equity securities with readily available price data. Annual fund expense ratio: .09%)
- [Schwab Short-Term Bond Market Fund](#) (Current income by tracking the performance of the Barclays Capital U.S. Government/Credit: 1-5 Years Index. Annual fund expense ratio: .29%)

- Schwab Treasury Inflation Protected Securities Index Fund (The Fund's goal is to track as closely as possible, before fees and expenses, the price and yield performance of the Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L). Annual fund expense ratio: .64%)

The Intermediate-Term Reserve Fund guidelines call for an allocation ratio of bond investments to stock investments of around 2-to-1 to 3-to-1.

IMPLEMENTATION STRATEGY FOR MAKING INVESTMENTS

With the stock and bond values near all-time-high levels, it would be prudent to begin a slow, regular plan of investment called “dollar-cost averaging.” It is impossible to predict the timing and direction of investment market moves so the best course of action at this time would be a slow, deliberate, and mechanical approach. The following is a helpful definition of the dollar-cost averaging strategy:

Dollar-Cost Averaging is the technique of buying a fixed dollar amount of a particular investment on a regular schedule, regardless of the share price. More shares are purchased when prices are low, and fewer shares are bought when prices are high. Eventually, the average cost per share of the security will become smaller and smaller. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

Executive Director Report November 2013

Facilities:

Josh Oliver and his assistant Peter, of Oliver Company in Richmond, have agreed to provide an estimate for the proposed improvements to the KCRT/RAC facility. He is working with Sue Hartman and Peter Dodge to gather pertinent building specs, code requirements, etc. We hope to have an estimate by late January. Also during this period we will be developing a business plan for a Café/Gift Store and a facility rental usage and fee program. Our goal is to complete this by spring 2014.

Foundation Grants;

Our request to the Richmond Community Foundation for the Website redesign was declined. However, we did receive word via Andi Biren that the Chamberlain Family Foundation will contribute \$15,000 toward our AIC program, most of which will be restricted toward FY14/15. We also received via Diane Sanchez of the East Bay Community Foundation, an \$8,000 grant from the Kimberly Family Fund for the AIC STEAM program. This is in addition to the \$20,000 grant received two months ago from an anonymous funder to support the STEAM program. We will be exploring the best use of the \$8,000, to develop either another STEAM curriculum for the elementary and or the middle school level with implementation expected for fall 2014. With this pleasantly unexpected revenue, we have exceeded our STEAM expenditure budget; therefore the revenue and expenditure will be added to the approved AIC budget for this year. We are waiting word from the Irene Scully Foundation regarding our \$15,000 LOI request to fund teacher training and STEAM program development.

Holiday Arts Festival:

We had a very successful Holiday Arts Festival in both in terms of attendance and sales. We had 47 vendors (8 more than last year); estimated attendance of 1,000 (three hundred more than last year); and nearly tripled our silent art auction sales (from \$4,500 last year to \$13,000 this year). Over 60 volunteers participated in the development and presentation of the event. We will have a final report at our January Board Meeting.

Staffing:

This is a summary of staff changes that have been implemented or will begin effective January 2, 2014.

1. Director of Exhibition and Curator of Art: this position is now a full time exempt position: an increase of 10 plus hours a week.
2. Exhibition Assistant: This 16 hour per week position will become a contract position supporting the exhibit install/deinstall period, a 40 % reduction in time starting January 2nd.

3. On-site Education Director: Kato Jaworski will be the On-site Director (starting in January) and her time will be reduced from full time to 32 hours per week starting January 2nd.
4. AIC Director: Rebeca Garcia Gonzalez who was the AIC Coordinator is now the Director of the Art in the Community (effective late October 2013). Her time will increase by four hours a week and her pay is comparable to the Department Directors' average pay. She will report to the ED.
5. Exhibition Assistant: Nicole Kite will increase her time from 24 to 32 hours a week supporting both the AIC program and the On-Site studio program starting in January 2014.
6. Support for the Finance Department. Nicole Kite will also support Dianne Wightman in education department related **HR and financial reports, faculty and reports**. This effort will require an average of 6 hours a week effective January 2nd.

In total, these changes, both in time and pay, will increase staff hours by 14 hours a week and increase staff pay by \$12,000 for this year or \$18,000 in a 12 month period.

Minutes, Development Committee
Meeting December 3, 2013

Present: Andi Biren, Donna Brorby, Susan Sharfman, Susan Wittenberg, Ric Ambrose, Laura Buchan

I. Partnership Campaign.

The goal for the Partnership Campaign this year is \$89,000. We have raised approximately \$49,000 towards that goal. We expect to meet the goal due to the number of high dollar value asks that our outstanding and the fact that many donations are received in the latter part of December and the beginning of January (people writing checks at the end of the tax year).

Donna recently contacted all solicitors for an update of their contacts with their solicitees. Some solicitors committed to follow-up with persons on their list. It appears that most solicitors have at least attempted to reach their solicitees. In the second week of December, staff (Laura) will send a reminder to donors who have been solicited personally by board members and other solicitors but have not yet given. Donna will identify the potential donors who should get the reminder. It will be of the nature, happy holidays, we hope you include us in your gift-giving (the people receiving it are prior donors, who know the Art Center and have received some contact from us, many of them a letter with info).

Also in the second week of December, Laura or Donna will get volunteers (Board members?) to make follow-up calls to people who were sent the "end of year" mail solicitation. These are smaller dollar givers who were not on any solicitor's list for personal solicitation. We have about 60 telephone numbers.

Since the Art Center is not closing between Christmas and New Year's this year, staff will be able to send "thank you" notes to donors promptly upon receiving gifts. Ric and Laura handle thank-yous to donors of more than \$150. Administrative staff handle thank yous to lower-dollar donors. "Donor Tracker" tracks thank-yous.

We will do a telephone "thank-a-thon" in February, thanking people who gave, not asking for more.

II. Events

The event at Garry Knox Bennett's studios will not occur before August 2014. It likely will be an event for major donors and we just had a major donors event at the Barnetts' on

November 3. The Knox Bennett event needs to be planned and fit into our overall annual fundraising strategy.

The Oliver Ranch performance event will be in June 2014 and needs to be planned starting soon. It is budgeted to net \$5K to the Art Center. There will be a performance in a tower at Oliver Ranch that accommodates about 100 people. We need to decide whether to add anything as a part of the ticket (bus ride to the venue, other event such as wine tasting, ...) Ticket price will be set to yield a \$5K profit.

Susan Sharfman proposed that the Art Center add musical performances as a part of its program to bring the community into the Art Center. She suggests that we try one performance and consider more. She will check the availability of a particular Latina singer she has in mind for a first event. The committee is favorably disposed to the idea. It would be a board project, requiring as little staff support as feasible.

Susan Sharfman also raised the idea of an event for families with children with Melanie DeMore in the coming year. The committee liked the idea of a Mother's Day event.

III. Other fundraising this fiscal year

We discussed generally our desire to have more support from businesses in and near Richmond. Ric has had Laura compile a spreadsheet with information about businesses listed by the Richmond Chamber of Commerce. Ric hopes to get from Bob Connolly a list of businesses from the Council of Industries. Ric will continue to take opportunities to meet business people through business associations such as the Rotary Club (where Ric spoke within the last year) and the Pt. Richmond Business Assn. "Manta" may be an on-line resource for learning some facts about businesses we might want to approach. Staff are building a "wish list" that can be publicized for the purposes of seeking "in kind" contributions. Donna thinks it is important for us to get clear on our business strategy. She thinks we determined in the past that businesses do not just give donations, rather they buy sponsorships and public goodwill (supporting events and initiatives that give them good publicity) and they make in-kind donations (that cost them less than the value they get credit for giving). She thinks we should focus on events for which we want sponsorship and businesses that might be interested in those events. There will be a smaller meeting including Bob Connolly (and Matt Jacobson?) to take next steps in planning and strategizing approaches to business.

We have approached Scientific Arts, which seems like a business that should like what the Art Center is and does. It funds projects only in the Iron Triangle. One of our after school programs is in the Iron Triangle.

Ric informed us that, like last year, the Art Center will have a membership renewal drive in May.

IV. Board Retreat Development Items

The following items were referred to the Development Committee from Board Retreat:

1. We must be able to show our programs to present and potential donors to give them a tangible reason to give.
2. We should add lectures and more tours to our offerings to bring in more people and thus more prospective donors.
3. We must increase the Bd's fundraising capacity. One aspect will be to evaluate RAC's technology. We might consider contacting Richmond Community Foundation for information/assistance with both fundraising capacity and technology assistance.
4. Offer free memberships to students (A later thought was to give discount coupons to students for use if they come in to register for a class)
5. Technology block – (should we be using something other than ActivNet?)
6. Add a capital campaign to the fundraising campaign.

NOTE: possibly consider the capital campaign from the perspective of how it supports/combines with the program campaigns, thus giving us more substance when we apply for the Bechtel grant.

Ric explained that he and his staff continually evaluate software for the possibility of enhancing the Art Center's ability to track and serve members, students and donors. ActivNet's greatest shortcoming is that it lacks the ability to "profile" donors. Its strength is in membership renewals and student enrollments (including discounts) and member's ability to access information concerning their membership, donations and classes on-line. A technology committee a couple of years ago chose ActivNet after a study of options. If and when we add or change database software, there will be costs. ActivNet is relatively cheap, costing \$5-7K/year, including credit card fees for on-line transactions by credit card. RAC cannot have its own "free" database because RAC cannot do what it needs to do with ordinary office software; RAC needs a sophisticated database. Such databases are expensive, whether by upfront cost, monthly fees or transaction fees, or some combination.

We did not have time to consider the other matters referred to us, and will consider them at our next meeting, January 16, 5:30 p.m.

Code of Conduct To Be Posted in Classrooms, Hallways and near Front Desk and Front Reception Area

RICHMOND ART CENTER CODE OF CONDUCT FOR ALL WHO ENTER HERE

The Richmond Art Center is for everyone, whether you've been here for years or are a new arrival.

Be professional, courteous and respectful to everyone at the Richmond Art Center

Act with honesty and integrity

Be a good steward of the Richmond Art Center's resources and facility

Recognize and honor the diversity of our community

Be adaptable, accountable and capable of embracing change

Be fair, objective and responsive in interactions with everyone at the Art Center

Maintain positive relationships nourishing an environment of collegiality and trust

Richmond Art Center Code of Ethical Conduct For Independent Contractors, Employees, and Volunteers

The successful operation and reputation of the Richmond Art Center is built upon the principled and ethical conduct of all those who work and volunteer for us. Gaining and maintaining a reputation for integrity and excellence requires a scrupulous regard for the highest standards of conduct and personal integrity. Richmond Art Center strives to maintain a work environment and a learning environment in which honesty and respect for fellow workers, students and visitors to the Richmond Art Center are constantly reflected in personal behavior and standards of conduct. While there is an additional Code of Conduct for Richmond Art Center employees, the purpose of this code is to provide a clear framework within which those who work and volunteer for the Richmond Art Center, such as contractors, volunteers and Board members as well as staff, are expected to conduct themselves.

The principles of Richmond Art Center's Code of Ethical Conduct are expressed in broad statements below to guide ethical decision-making. These statements provide a framework; they cannot and do not dictate conduct to cover particular situations. While at the Richmond Art Center or while representing the Richmond Art Center in the community, everyone working for the Richmond Art Center whether paid or as a volunteer:

1. Shall behave in a trustworthy manner;
2. Shall respect the inherent dignity and worth of others;
3. Shall be alert to and avoid conflicts of interest with Richmond Art Center;
4. Shall not take unfair advantage of any relationship or exploit others to further their personal, religious, political, or business interests;
5. Shall not disclose Richmond Art Center-originated confidential information;
6. Shall not use derogatory or demeaning language in their written or oral communications;
7. Shall not practice, facilitate or condone any form of discrimination on the basis of race, ethnicity, national origin, color, sex, sexual orientation, gender identity or stereotypes, age, marital status, religion, or mental or physical disability;
8. Shall not participate in or condone dishonesty, fraud, or deception.

The Richmond Art Center complies with all applicable laws and regulations and expects everyone while representing Richmond Art Center in the community or while within its walls to conduct themselves in accordance with the letter, spirit, and intent of all relevant laws and regulations and to refrain from any illegal, dishonest, or unethical conduct. It is not possible to list all the forms of behavior that are considered unacceptable, but the following are *examples* of serious breaches of the Richmond Art Center's Code of Ethical Conduct:

1. Theft or unauthorized removal, possession or use of Richmond Art Center, member, donor, student, visitor, volunteer, faculty or coworker property, including artwork and contact information;
2. Falsifying documents or providing false or misleading information, for instance with regard to expense reimbursements or comped classes taken;
3. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the Richmond Art Center or our worksites in the community;
4. Unprofessional behavior, mistreatment, discriminatory or harassing conduct, including sexual and racial harassment;
5. Fighting or any violence or threats of violence;
6. Possession, use of or being under the influence of alcohol or illegal drugs while on the job for Richmond Art Center (minimal social drinking at Richmond Art Center events is excepted).

I have read and I understand the Richmond Art Center's Code of Ethical Conduct. I agree to abide by this Code. If I violate this Code, I understand that my relationship to the Richmond Art Center may be severed and other consequences may occur as allowable under law.

Signature _____
Date _____

AFFIRMATION OF RICHMOND ART CENTER BOARD VALUES AND RESPONSIBILITIES

The Richmond Art Center's mission, as a dynamic arts organization, is to empower and transform individuals and the community through creative exploration, experience and education.

We pursue our mission by:

- delivering quality studio art and off-site classes for diverse people of all ages, mounting innovative exhibitions by professional and amateur artists and organizing transformative art-related events for the community that engage creative learning and exploration,
- continuously refining these services based on what our membership, donors, and community tell us is needed and our own informed experiences in the field,
- keeping abreast of and helping to shape current best practices in building resources and programs that promote access to and interest in the arts and the creative process.

I. Values

The Executive Director and all directors and officers of the Board of Directors of The Richmond Art Center shall act with honesty, integrity, and openness in all of their dealings as representatives of The Richmond Art Center. The Richmond Art Center's Board shall strive to maintain a working environment that values hard work, integrity, honesty, fairness, diversity, creativity and respect.

The Richmond Art Center and its agents shall comply with all applicable federal, state, and local laws and regulations and shall seek the advice of counsel when necessary or appropriate.

Compliance with the law, however, is the minimum standard of expected behavior. The Richmond Art Center and its agents shall also adhere to the highest ethical standards. All resolutions and other legal actions by the Board of Directors shall satisfy two requirements: (1) they shall be legally permissible, and (2) they shall also reflect the highest ethical standards as determined by the Board of Directors in the exercise of its sole discretion.

II. Governance

The Board of Directors is responsible for setting the mission and the strategic direction of The Richmond Art Center and for exercising oversight of its finances and policies. The Board of Directors shall:

- Ensure that Board members possess the requisite skills and experience to carry out their duties and that all directors understand and fulfill their governance duties, acting for the benefit of The Richmond Art Center and its public purpose;
- Review and enforce its Conflict of Interest Policy so that conflicts of interest, as well as the appearance of conflicts of interest, are avoided or properly managed through disclosure, recusal, or other means;
- Be responsible for the hiring and regular performance review of the Executive Director, and ensure that the compensation of the Executive Director is reasonable and appropriate;
- Ensure that the Executive Director and appropriate staff provide the Board of Directors

with timely and comprehensive information so that the Board of Directors can effectively carry out its duties;

- Ensure that The Richmond Art Center conducts all transactions and dealings with integrity and honesty;
- Ensure that The Richmond Art Center promotes working relationships between Board members, management team, staff, faculty and volunteers based on mutual respect, fairness, and openness;
- Ensure that The Richmond Art Center values diversity, is fair and inclusive in its hiring and promotion policies and practices for all Board, management team, staff, faculty and volunteer positions;
- Ensure that key policies of The Richmond Art Center are in writing, clearly articulated, and adopted;
- Ensure that the resources of The Richmond Art Center are responsibly and prudently managed and regular financial audits occur;
- Ensure that The Richmond Art Center has the financial, physical and workforce capacity to carry out its programs effectively.

III. Stewardship

In managing its funds responsibly and prudently, The Richmond Art Center shall:

- Devote a reasonable percentage of its annual budget to programs in pursuance of its mission;
- Incur administrative costs adequate to ensure effective accounting and legal compliance systems, internal controls, competent staff, and other expenditures critical to professional management;
- Pay compensation, in return for services, that is reasonable but not excessive;
- Avoid accumulating The Richmond Art Center funds excessively;
- Draw prudently from restricted funds in a manner consistent with the restrictions;
- Follow spending practices and policies that are fair, reasonable, and appropriate to fulfill the mission of The Richmond Art Center.

IV. Embracing Change and Evaluation

The Richmond Art Center is committed to improve, continually, its public programs and its organizational quality. The Richmond Art Center shall periodically review its program and incorporate lessons learned into future programs. The Richmond Art Center shall be responsive to new developments in its field of activity and shall be responsive to the interests of its audiences and other constituencies.

In addition to evaluating the Executive Director and the Director evaluating the staff, the Richmond Art Center shall develop and implement a three-tier evaluation procedure whereby the performance of the Board of Directors as a whole, each Board committee, and each director is evaluated periodically.

V. Fundraising

The Richmond Art Center and its agents shall comply with the fundraising requirements of California's Nonprofit Integrity Act of 2004. The Richmond Art Center shall respect the privacy concerns of individual donors and shall follow donor intent in making expenditures. The

Richmond Art Center shall disclose important and relevant information to potential donors. All solicitation materials shall accurately represent The Richmond Art Centers' policies and practices. In raising funds from the public, The Richmond Art Center shall:

- Inform donors of the mission of The Richmond Art Center, how resources will be used, and ensure the integrity of The Richmond Art Center by overseeing that donations are used effectively for their intended purposes;
- Inform donors of the identity of those serving on The Richmond Art Center's Board;
- Make available The Richmond Art Center's most recent financial reports;
- Represent that contributions will be used for the purposes for which they were given and ensure that they are;
- Provide appropriate acknowledgement and recognition of contributions;
- Treat information about donations with respect and with confidentiality to the extent provided by the law;
- Provide an opportunity for donors to delete their names from mailing lists that may be used by others;
- Encourage donors to ask questions when making a donation, and provide prompt, truthful, and forthright answers.

VI. Transparency

The Richmond Art Center and its agents shall provide comprehensive and timely information to the public, the media, and all stakeholders and shall be responsive in a timely manner to reasonable requests for information. All information about The Richmond Art Center shall fully and honestly reflect the policies and practices of The Richmond Art Center. All financial and program reports shall be complete and accurate in all material aspects.

VII. Confidentiality

The Richmond Art Center and its agents have a duty to safeguard information that is proprietary to The Richmond Art Center. Information about The Richmond Art Center that is confidential or proprietary and obtained by the Executive Director or a director or officer of the Board as a consequence of such person's association with The Richmond Art Center may not be disclosed to third parties unless expressly authorized by The Richmond Art Center Board of Directors.

VIII. Complaints/Reports

The Richmond Art Center's Board of Directors, its members and officers and its Executive Director may be the subject of a complaint or report regarding unethical, illegal, or otherwise offensive conduct or practices by any person, whether or not connected with The Richmond Art Center. These complaints may come through the Art Center's hotline or be made in many other ways. It is the policy of the Richmond Art Center to address complaints promptly, seriously and with respect for the person or entity complaining or reporting.

IX. Potential Remedies

The Executive Director, or any member of the Board of Directors who fails to comply with Board Values and Responsibilities may, in the discretion of the Board of Directors, be removed from the Board.

X. Annual Affirmation Statement

The President of the Board of Directors shall provide a copy of this Value and Responsibility Statement to every member of the Board of Directors and to the Executive Director annually at the July Board Meeting. At that meeting or before July 30 of each year, every director and the Executive Director shall sign the Affirmation below, attesting that he or she has read and understands it, and agrees to comply with it. The Secretary of the Board of Directors shall file the signed affirmations with the minutes of the July meeting.

ANNUAL AFFIRMATION STATEMENT

I have received, read and agree to comply with the Affirmation of Richmond Art Center Board Values and Responsibilities.

Your signature:

Date:

BOARD MEMBER TERM CHART

Under Article IV, Section 3 of RAC's By-laws, "the term of office of each director shall be three years, terminating on June 30 of the third year after his or her election by the members....No person shall be elected to serve on the Board of Directors for longer than six consecutive years and no person who was appointed to the Board prior to his or her first election shall serve longer than 6 years 11 months and 29 days consecutively." The Board itself determines how many people will be on the Board; the number can be anywhere between twelve and twenty.

<u>Name</u>	<u>Term Inception</u>	<u>Most Recent Election</u>	<u>Term Ends</u>
Peter Dodge	7/10	6/13	6/30/16
Sue Hartman	9/10	6/13	6/30/16
Connie Tritt	7/11	6/11	6/30/14
Susan Wittenberg	12/11	6/12	6/30/15
Andrea Biren	1/12	6/12	6/30/15
Donna Brorby	4/12	6/12	6/30/15
Susan Brand	7/12	6/12	6/30/15
Edric Kwan	7/12	6/12	6/30/15
Yolanda Holley	7/12	6/12	6/30/15
Anna Blackman	7/12	6/12	6/30/15
Bernadette Jones	11/12	6/13	6/30/16
Robert Connolly	1/13	6/13	6/30/16
Terry Kotsatos	1/13	6/13	6/30/16
Inez Brooks Myers	7/13	6/13	6/30/16
Ellengale Toki Oakley	7/13	6/13	6/30/16
Matt Jacobson	7/13	6/13	6/30/16