



## **Search for President & CEO**

### **THE SEARCH**

The Minneapolis Foundation (herein “the Foundation”) seeks a dynamic, visionary and proven leader to be its next President and CEO. Founded in 1915, the Foundation has for a century connected and informed donors to take their giving further and has served as a leader and an important voice on the toughest issues facing the community. It currently holds total assets of nearly \$753 million and grants awarded last year totaled \$80 million. As the Foundation looks back on the last one hundred years, there is much to be proud of in all that it has contributed to making Minneapolis a vibrant and healthy community. As it looks forward, the Foundation will have to provide the leadership and resources to tackle the deep racial, social and economic inequities that still plague the community.

Under its current strategic plan, the Foundation’s board and staff have been committed to focusing on the key areas of transforming education, economic vitality and civic engagement in order to achieve a more racially, socially and economically equal Minneapolis. The President and CEO will be expected to build from the current strategic framework and heighten the focus on the equity issues that have driven the Foundation’s work to date. The Foundation has set forth an ambitious plan to grow the assets of the Foundation in order to achieve the desired impact in its priority areas. The President and CEO must be passionate and enthusiastic about the opportunity to engage more donors in philanthropy and build the resources to address critical community issues. While the Foundation has a strong brand, the President and CEO has the opportunity to bolster and enhance that brand across a greater group of community stakeholders. The centennial celebration created greater awareness of the Foundation’s work and the President and CEO should build on that to foster greater collaborations and partnerships not just with the nonprofit and government sectors but with the business and entrepreneurial community as well. The President and CEO will inherit a strong, motivated and mission driven staff and leadership team and will be expected to effectively inspire and retain them.

The Foundation is open to candidates from a wide variety of backgrounds. Candidates should come with a deep knowledge of community issues (whether in Minneapolis or in other cities); experience addressing issues of disparities in a community; management experience at scale in a complex organization; and experience leading or managing organizational change. Experience building coalitions and partnerships across diverse constituencies; an ability to speak

passionately and persuasively; intellectual curiosity about a wide variety of issues; and a track record of having grown financial assets is also highly desired.

Isaacson, Miller is assisting the Foundation in this important recruitment. All inquiries, nominations and applications should be directed in strict confidence to the search firm as indicated at the end of this document.

## **BACKGROUND & CONTEXT**

Community foundations are permanent endowments that are established primarily to benefit the people of a specific geographic region. These institutions carry out their missions through grantmaking, special initiatives and by providing a vehicle for charitable giving. Charitable funds are pooled and invested together so that the income provides a continuing resource for the community and donor advisors. Typically, donors to a community foundation have a range of philanthropic options. They can make contributions for general purposes in unrestricted funds or in support of particular areas of interest, designate funds to be contributed to specific organizations or purposes, or actively participate in grantmaking decisions through donor-advised funds.

Community foundations today function as genuine catalysts for community improvement. They do so not only through their grantmaking activities but also through a range of collaborations and special projects and by assisting and educating donors about how they might meet their philanthropic and civic goals. Because community foundations are politically independent, nonsectarian, and provide flexibility to respond to a region's changing needs, they can serve as a vital, coalescing force in a community.

Community philanthropy has grown exponentially in recent years, and has taken on many new forms in the process. Competitors for traditional community foundation dollars include commercial charitable gift funds, technology that allows donors to connect directly with nonprofit organizations, new family trust vehicles, giving circles, federated giving, and many other institutional forms. However, the distinguishing advantage of a community foundation is its permanence. The community foundation represents the coming together of dedicated individuals who bring their knowledge and resources to bear to create a lasting presence for good in the community.

## **THE MINNEAPOLIS FOUNDATION**

The Minneapolis Foundation was established in 1915 by a handful of local business leaders who envisioned a philanthropic organization that would enable residents from across the community to pool their charitable giving for greater impact. The Foundation was a pioneer in a movement that now includes over 1,800 place-based foundations worldwide. In its first year, the Foundation distributed \$25,000 in grants and by the end of 2015 will have granted an estimated lifetime total of \$850 million.

The Foundation believes that the well-being of each citizen is connected to that of every other and that the vitality of any community is determined by the quality of those relationships. Its purpose is to join with others to strengthen the community in measurable and sustainable ways, for the benefit of all citizens, especially those who are disadvantaged. The Foundation is committed to being an effective resource developer and a responsible steward of those resources, an active grantmaker and convener addressing crucial community needs, and an advocate and constructive catalyst for changing systems to better serve people.

Throughout its history, the causes supported by the Foundation have reflected the challenges Minnesotans have faced and the victories they've celebrated as a community. In 1973 the Foundation awarded a grant of \$130,000 to help desegregate three Minneapolis middle schools. In the late 1980's, the Foundation collaborated with the St. Paul Foundation to launch the Minnesota AIDS Funding Consortium. Most recently, the Foundation supported tornado cleanup on the North Side and provided loans to help minority-owned businesses participate in the construction of the Vikings stadium. In whatever era the Foundation has led and served its community, it has been a critical bridge builder and catalyst for the conversations that others would not have the courage to broach. Simultaneously, the Foundation has informed community members about problems they might not want to know exist, while also proposing solutions for those problems.

In 2009, the trustees adopted a six year strategic plan that called for greater emphasis on donor engagement and a vision for the community focused on social, racial and economic equity. The resulting plan laid out the goals of 1) *Rewarding relationships* by providing exceptional service to donors and building rewarding relationships with charitable partners through co-investments and engaging new partners; 2) *Achieving operational excellence* by delivering responsible stewardship, exceptional performance and continuous innovation; and 3) *Achieving community impact* by serving as a leader, partner and grantmaker to create impact and invest resources to achieve social, economic and racial equity, specifically by focusing on the key areas of transforming education, economic vitality and civic engagement.

In 2012 -- midway through the plan -- the trustees revisited the goals that had been set and assessed where things stood. They determined that the goals and direction were still the right ones. While much had been accomplished, there was still much to do. The trustees extended the timeframe for the strategic plan (it now ends in 2020 vs. 2015) and called for strengthened efforts to partner with donors and other funders to realize even greater change in the community.

More details regarding the Foundation's strategic plan can be found at: [https://www.minneapolisfoundation.org/wp-content/uploads/2015/05/StrategicFramework\\_revision\\_6.30.14.pdf](https://www.minneapolisfoundation.org/wp-content/uploads/2015/05/StrategicFramework_revision_6.30.14.pdf)

In conjunction with its strategic plan, the Foundation has also set forth an ambitious growth plan to achieve its vision for a vibrant, inclusive and economically thriving Minneapolis. Through its Growth for Impact plan, the Foundation seeks to raise \$70-80 million per year and achieve total assets of \$1 billion by 2020. Towards this effort, the Foundation has made key strategic hires in the areas of advancement, development and marketing. Moreover, the creation of a chief operating officer position has helped to leverage the president's time on external matters.

Currently, the Foundation is targeting three broad market areas for potential support: 1) Current or retired corporate executives with locally based public or private companies; 2) Entrepreneurs who are owners and founders of successful private companies with the potential for producing liquidity through merger, acquisition or IPO; and 3) Family foundations with assets greater than \$1 million and registered in Minnesota.

The Foundation currently manages over 1,200 charitable funds, totaling more than \$753 million in assets, and has posted investment returns of 9.8% (3-year average) for endowed assets. Donors may select from a wide range of fund options (described in Appendix A) to meet their charitable goals. This year, the Foundation and its donors gave a little over \$80 million in grants to nonprofits locally and across the globe and brought in approximately \$58 million in total gifts.

## **Grantmaking**

The Minneapolis Foundation awards grants either through donor advised fund recommendations or through competitive grantmaking. Grants through a donor advised fund recommendation are marked towards a specific area and/or organization by a particular donor or institution. The Foundation's competitive grantmaking focuses on the three key areas identified in its strategic plan: transforming education, economic vitality and civic engagement. The Foundation seeks to support high-performing nonprofit organizations that primarily serve Minneapolis residents, and are engaged in innovative projects with systems-changing potential. Of the \$5-7 million per year that the Foundation awards through competitive grantmaking, about 45% has gone towards education, 24% towards economic vitality, 21% towards civic engagement and smaller percentages towards arts and culture, health and environment.

In recent years, the Foundation has shifted from a traditional grantmaking model to a more proactive and comprehensive community investment strategy in order to combat the inequities in the community. The Foundation now deploys a diverse array of approaches to affect change, including advocacy, co-investment, collaboration, convening, program related investment, public awareness campaigns and research. The Foundation's community investments are made further upstream in order to achieve transformational versus incremental change. The Foundation seeks to reduce the need for social services by transforming systems and policies to empower more residents to be self-sufficient. By reforming systems such as pre K-12 education and workforce development, the Foundation seeks to scale up proven solutions that enable families to interrupt cycles of intergenerational poverty. By helping eliminate barriers to voting and enfranchisement, there will be more people influencing issues that directly affect their lives. By creating change at the systems level -- versus supporting programs that serve individuals -- the Foundation seeks to achieve impact that will be sustainable.

In order to rigorously and systematically guide its investments and ambitious goals, the Foundation in 2011 launched its *OneMinneapolis* platform. Through *OneMinneapolis*, the Foundation tracks how major racial and ethnic communities in Minneapolis are faring on key indicators of a healthy, productive life in order to measure progress as a community and inform its investments. This data is being leveraged by more than 100 nonprofits and public agencies to shape program delivery, advocate for more equitable policies and build support for their work.

The community indicators report from *OneMinneapolis* are updated annually and serve as a barometer of the collective challenge facing the larger community.

More details on *OneMinneapolis* can be found at: <https://www.minneapolisfoundation.org/OneMinneapolis/Home/About>

## **Donor Services & Development**

Donor services are an important element of the Foundation's value proposition. Local philanthropists can find grantmaking services from a variety of competitors, but only with The Minneapolis Foundation can donors find an organization that combines grantmaking with deep community knowledge to ensure that donors achieve their philanthropic goals. The Foundation hosts educational sessions for donor-advisors, performs due diligence on grant requests and provides customized services for various levels of donors. Strong relationships with donors contribute to a pipeline of prospective donors and keep the Foundation aligned with its mission and core values. The Foundation works closely with a cadre of professionals including financial advisors, investment managers, trust officers, accountants, attorneys and others to integrate charitable giving into their clients' financial and estate plans.

Over the last decade, the Foundation has made strides in engaging donors with its mission. The Foundation has seen a 23% increase in donor advised funds and a 22% increase in net assets since 2007. Moreover, the Foundation has been cognizant of the need to engage a younger generation of donors with its work. Through its Fourth Generation Fund, the Foundation seeks to recognize the charitable impact of young professionals in the community. Since 2010, more than 100 members have donated, raised and given away nearly \$175,000 to address critical issues such as youth homelessness, food justice, small business development and resources for immigrant populations.

## **Finances, Management & Governance**

For fiscal year 2016, the Foundation has an operating budget of approximately \$7.3 million. Reporting directly to the President and CEO are the Chief Operating Officer, Senior Vice President for Advancement and the Vice President for Community Impact. Currently, the Foundation employees approximately 40 full-time staff across the areas of advancement, community impact, finance and operations.

The President and CEO reports to a 30 member board of trustees. The board is composed of citizens and leaders of the greater Minneapolis area who are actively engaged in community issues. Each member brings extensive experience from the public, private and nonprofit sectors. The board provides organizational leadership and oversight, and guides the Foundation's competitive grantmaking. Potential board members are identified by current and former board members, foundation staff and advisory committees. The governance committee keeps track of potential profiles and uses it to identify individuals who could be appropriate to fill vacancies or bring needed expertise. Board members serve up to two four-year terms. The chair of the board has the ability to remain up to 10 years if their term as chair begins or ends in their eighth

consecutive year as a board member. Currently there are eight committees reporting to the board of trustees: the executive committee, governance, advancement, community impact, investment, audit, finance and gift acceptance.

## **OPPORTUNITIES & CHALLENGES FOR THE NEXT PRESIDENT & CEO**

After nearly 10 years as President and CEO, Sandra Vargas announced her decision to retire, which is to be effective no later than June 2016. During her tenure at the Foundation, Vargas has been credited with advancing the community discussion related to social, racial and economic equity gaps as well as launching innovative projects that expanded the Foundation's role well beyond grantmaking. Despite volatile economic times, the Foundation saw increases in donor advised funds, total assets and total grantmaking. In 2015, the Foundation under Vargas' leadership celebrated its centennial anniversary. The Foundation not only saw greater giving and engagement from donors but also increased community awareness for its important work. The next President and CEO will have a strong base and rich legacy from which to elevate the Foundation to the next level of community leadership and impact for the years ahead.

Community philanthropy today is a dynamic and changing field. Many of the models that formerly guided the work of community foundations are being reexamined. Community foundations are undergoing a shift from the management of financial assets, arising from their early histories as trusts managed by financial institutions, to positions of long-term community leadership. The next President and CEO must understand the changing mindset of philanthropy and position the Foundation as a knowledgeable, engaged and effective bridge between community needs, the nonprofits who serve those needs and donors who wish to strengthen their communities. Additionally, the individual must bring insightful understanding of how to implement new models of collaboration and have the ability to attract interest and participation from partners in developing and implementing both proven and innovative solutions to pressing community needs.

The linchpin in meeting these objectives is the recruitment of a dynamic leader to build upon the Foundation's history and to provide vision for the years ahead. The President and CEO reports to the board of trustees and serves as both the senior external spokesperson as well as internal leader of the Foundation. The President and CEO must take the lead in representing the Foundation within the community and to donors, and in making the Foundation a visible catalyst and advocate for creative problem solving and societal change.

Key leadership opportunities and challenges for the next President and CEO include:

- Build on the existing strategic plan with an even heightened focus on issues of equity -- social, racial and economic -- in Minneapolis in order to move the metrics on the high disparities within the community. The President and CEO should use the equity lens in allocating resources to all impact areas and work collaboratively and creatively across sectors toward these ends. The President and CEO should inspire donors to allocate more of their resources to align with and support the Foundation's priorities.

- Play an active and sustained role in growing the assets of the Foundation according to the Growth for Impact plan. This will include the personal engagement of current donors in meaningful and innovative ways and cultivating new donors from among broad constituencies including traditional and non-traditional sources of philanthropic support. The President and CEO must be an enthusiastic advocate for the Foundation as the very best choice for donors needing a home for assets devoted to their own charitable causes. While the Foundation will continue to seek donor support around issues of equity, it will still be vitally important for the next President and CEO to meaningfully engage those donors whose interests may lie elsewhere.
- Lead the Foundation in developing stronger connections with the business community so that it will be a leader, reliable resource and partner with respect to important community issues. The President and CEO must effectively make the case that a more equitable Minneapolis is a much more conducive business environment for the corporations and entrepreneurs that call Minneapolis home. An opportunity exists for the next leader to convene, inspire and persuade the business community on the issues that the Foundation cares deeply about.
- Ensure that the Foundation has a stronger brand in Minneapolis so that the community will know, understand and support its work.
- Effectively lead and manage the current leadership team of the Foundation. The President and CEO will continue to motivate, develop and retain a high-functioning team, and be an effective, clear communicator with all staff and the community.

## **QUALIFICATIONS & EXPERIENCE**

An ideal candidate will bring the following professional experiences and personal characteristics:

- Great passion and experience in addressing issues of disparity -- social, economic and racial -- in a community. A deep and broad understanding of the nuances and historical contexts that shape community issues, whether in Minneapolis or other cities.
- The ability to engage the Minneapolis business community in the work of the Foundation and to articulate the value of strong communities for economic and business success.
- Successful and significant experience in fundraising/asset development activities.
- Ten or more years of demonstrated leadership and management experience in an organization similar in size and complexity as that of the Foundation. The search committee is open to candidates from a wide variety of backgrounds.
- Experience managing change within a complex organization.

- Experience as a public figure and spokesperson in the community with exceptional communicational skills, as both a writer and a speaker.
- Experience building, training and leading a highly motivated team of professionals.
- Strong personal values and a demonstrated commitment and sensitivity to social concerns and community affairs. The ability to work effectively in a community with challenging equity and diversity issues.
- A big picture thinker and innovator with the ability to think strategically and creatively about achieving the Foundation's organizational priorities.
- Exemplary interpersonal skills including the ability and credibility to engage and interact with a diverse group of key leaders from the community's businesses, faith organizations, government, nonprofits, other foundations and target audiences.
- An undergraduate degree is required; graduate degree preferred.

## **APPLICATION PROCEDURE**

Review of nominations and applications will begin immediately and continue until the position is filled. Inquiries, nominations/referrals and applications (including resumes and letters of interest responding to the position challenges outlined above) should be sent electronically and in confidence to:

Sheryl Ash, Vice President  
Kahn Lee, Senior Associate

Isaacson, Miller  
263 Summer Street, 7th Floor  
Boston, MA 02210

Apply at the website: [www.imsearch.com/5638](http://www.imsearch.com/5638)

**Electronic submission of materials is strongly encouraged**

***The Minneapolis Foundation is an Equal Opportunity Employer***



## APPENDIX A – FUND OPTIONS

Donors to the Foundation may select from the following options to meet their charitable goals:

- *Donor Advised Funds* are established by individuals, families, foundations, or businesses that choose to be actively involved in the grantmaking process. Contributions to these funds are tax-deductible, but there are no IRS regulations about when dollars need to be distributed to support the organizations of a donor's choice. Donors with a range of community interests find these funds to be an ideal tool for conveniently fulfilling charitable wishes.
- *Signature Funds* are for individuals, families and businesses considering a charitable foundation of \$1 million or more. Signature Funds combine the name recognition of a private foundation with the privacy, flexibility and tax advantages of a donor advised fund.
- *Legacy Funds* are permanently endowed funds created by living donors as well as through estate gifts. Donors create their own fund or make a gift that will be pooled with those of other generous donors to achieve a greater impact. Legacy Funds are invested for the long term, with annual distributions to organizations working within 12 specific areas of interest to the Foundation.
- *Field of Interest Funds* are for donors who have chosen one or more focal points for their giving that lie outside one of the 12 areas for legacy funds. The grantmaking decisions for these endowed funds are carried out over long periods of time by the Foundation (within the defined guidelines) to the then-relevant organization engaged in the focus area established by the donor.
- *Designated Beneficiary Funds* are endowed funds established by donors to support one or more specific nonprofit organizations in perpetuity. These are commonly established through an estate plan as a way to continue providing annual financial support to the organizations a donor supported during his or her lifetime.
- *Scholarship Funds* are often created in honor or memory of a loved one, and provide financial support to deserving students. Scholarships can be established to support graduates of, or those attending, a particular school.
- *Community Action Funds* are created from generous gifts made directly to the Foundation to address pressing community needs. The gifts have created an endowment from which investments are made in accordance with priorities established by the Foundation's board of trustees. Current community action funds are focused in the areas of education, civic engagement, and economic vitality.

- *Specific Purpose Funds* are charitable funds created by the Foundation to receive and distribute assets for a specific charitable purpose. Funds are typically created on behalf of groups or organizations that have not yet been designated a 501(c)(3) organization, or for charitable projects that have a limited term.
- *Charitable Remainder Trusts* allow a donor to irrevocably transfer assets into a trust. The trust pays income to the donor or other beneficiaries during their lifetimes, and the remainder goes to a qualified nonprofit.
- *Charitable Lead Trusts* allow a donor to irrevocably transfer assets into a trust. The trust provides for payment to one or more charities during a fixed term of years and then, after the term expires, the balance of the trust assets must be distributed to one or more individual beneficiaries.
- *Charitable Gift Annuities* are simple agreements whereby the Foundation accepts a gift of cash, securities, or property and agrees to pay a specified, fixed-dollar amount to the annuitant (the donor or another beneficiary). The fixed amount is set by the American Council on Gift Annuities and is based on the annuitant's age. Because the gift is irrevocable, the Foundation maintains control of the gift and becomes responsible for paying income for the lifetime of each annuitant.
- *Community Builders* are for donors who understand the importance of a permanent community endowment and have entrusted the Foundation to carefully manage and distribute their charitable funds for generations. Community Builders provide the Foundation with a way to recognize and honor individuals who gift a fund with the Foundation through their wills, qualified retirement plans, life insurance policies, annuities, or trusts.