



**ANNUAL REPORT OF THE
EXECUTIVE DIRECTOR
FOR FISCAL YEAR 2020
MAY 1, 2019 TO APRIL 30, 2020**

In accord with the Job Description for the RHLCT Executive Director, which references a written annual report from the Executive Director to the Board of Trustees, the undersigned submits his first annual report covering the fiscal year 2020 from May 1, 2019 through April 30, 2020.

FY 2020 was a year of transition for The Ruth and Hal Lauanders Charitable Trust ("RHLCT"). The size of its governing body shrank to five (5) co-trustees with the resignation of Jeffrey J. Fairfield effective May 1, 2019 to become the first Executive Director of the Trust. This event also heralded the transition of RHLCT from a self-managed model which it had followed since inception in 2006 to staffed management.

A summary of the highlights of Fiscal Year 2020 follow.

Governance

- For the full fiscal year, the Board of Trustees ("BOT") consisted of five individuals comprised of four (4) family co-trustees and one (1) non-family co-trustee.
- The BOT met on four (4) occasions. Three (3) meetings were held in person during July and November of 2019 and at the end of February and beginning of March in 2020. In addition, the BOT met virtually in April 2020.
- The BOT amended the RHLCT By-laws to facilitate the transition from self-management to staffed management.
- The BOT initiated a process leading to the eventual adoption in June 2020 of an amendment to the RHLCT By-laws to amplify and expand the process for the selection of successor co-trustees. The amended by-law imposes term limits on successor co-trustees.
- The BOT revised and amended the RHLCT policy on reimbursement of travel, lodging and related expenses with the advice of outside legal counsel.

- The BOT established the Trustees Advisory Body (“TAB”) and appointed seven (7) individuals as its initial members. The BOT tasked the TAB with recommending one or more grantees to receive an award, after approval by the BOT, of up to \$100,000 in grants. The BOT subsequently appointed three (3) more individuals to the TAB and ratified their appointment at the regular meeting in June 2020.
- The Chairman of the BOT created two (2) new *ad hoc* committees and appointed their members. These two (2) committees were tasked with evaluating and recommending candidates for engagement as an outside facilitator to assist in the search for shared philanthropic values and vision among the co-trustees and to recommend revisions to the forms used in grant administration. Both co-trustees and TAB members, in addition to the Executive Director, were appointed to these *ad hoc* committees.
- The BOT adopted a policy on document retention.
- The Chairman established an *ad hoc* committee to review the performance of the Executive Director and appointed three (3) co-trustees to this committee. This committee subsequently launched a self-assessment review process of the Executive Director resulting in his submission of a written self-assessment report in May 2020.
- Following the investigation and report of the *ad hoc* committee, and the personal interview of two (2) facilitators, the BOT selected Danielle Oristian York of 2164 Inc. to lead a facilitation process in search for shared values and an agreed and more narrowly focused charitable purpose.

Grantmaking.

- RHLCT awarded and funded grants totaling \$757,500. Trustee discretionary grants totaled \$630,000 while Board Level grants totaled \$127,500. Of these Board Level grants, \$100,000 in grants were awarded upon recommendation of the TAB. In addition, the Trust’s real estate subsidiary paid \$375,000 to the County of Fairfax for public park purposes as a qualifying charitable distribution. Total charitable distributions reported on the Trust’s 990PF tax return for FY 2020 were \$1,444,097. This sum amounts 6.1% of the value of the Trust’s average noncharitable corpus for FY 2020.
- Among the grants awarded were a set of emergency grants, approved and awarded on a simplified application and reporting process, to provide emergency Covid-19 pandemic relief. These Covid-19 relief grants distributed during FY 2020 totaled \$100,000.
- RHLCT renewed its license with Foundant Technologies, Inc. for its GLM grant administration software. The Executive Director attended a half-day training session with a Foundant Client Success Manager in York, Pennsylvania.

- RHLCT renewed its membership with Exponent Philanthropy. The Executive Director and one (1) co-trustee attended the Exponent Philanthropy Connect Conference in St. Louis, Missouri in October 2019.
- RHLCT joined the National Center for Family Philanthropy. The Executive Director met with its staff in August 2019 and several co-trustees, along with the Executive Director, attended some of its Webinars.
- Following the investigation and report of the *ad hoc* committee, and the personal interview of two (2) facilitator candidates, the BOT selected Danielle Oristian York of 2164 Inc. to lead a facilitation process in search for shared values and a central charitable purpose for RHLCT.

Management.

- The Executive Director interviewed and hired an administrative assistant.
- The Executive Director participated in the Self-Assessment process described above.
- The Executive Director interviewed and engaged Tate & Tryon, PC, now RSM US LLP, as the Trust's successor independent accounting professional and tax preparer.
- The Executive Director filed the Trust's FY 2019 990PF with IRS in March 2020
- The Executive Director began the practice of compiling and providing Board Books to the BOT prior to each Board meeting
- The Executive Director communicated, by phone and email, on a regular basis with the Board Chairman
- The Executive Director assumed most of the duties of the former managing co-trustee
- The corporate office of RHLCT remained open throughout the Covid-19 pandemic with normal operations but with adherence to CDC recommended public health protocols.

Real Estate.

- In April 2020 Arrowbrook Centre, LLC, the Trust's real estate subsidiary, successfully rezoned approximately 3.4 acres comprised of Land Bays B2 and A1 on the Arrowbrook Centre Development Plan to permit development of Land Bay B2 with ten (10) SF townhouse and 1 mid-rise condominium building together with a high-residential building on Land Bay A1.

- Arrowbrook Centre, LLC initiated the site plan preparation for Land Bay B2 pursuant to its land sales contract with Pulte Home Company LLC.
- Arrowbrook Centre, LLC prepared and prosecuted to administrative approval the public improvement site plan for the HMSAMS dual-use pedestrian and bicycle trail and secured an agreement with the staff of the Metropolitan Washington Airports Authority (MWAA) to grant the required trail easements for this off-site trail thus relocating it from Land Bay A.
- Arrowbrook Centre, LLC continued its discussions with SCG Development Partners, LLC, and engaged in the preliminary planning, for a ground lease of approximately 4.6 acres known as Land Bay D2 for the development of a 274-unit affordable housing development to be known as Ovation at Arrowbrook, albeit subject to conditions.
- Arrowbrook Centre, LLC advanced to administrative approval the site plan for Land Bay D2 to advance the site design for the Ovation at Arrowbrook affordable apartment building.
- Arrowbrook Centre, LLC advanced the design of a comprehensive sign plan for Arrowbrook Centre and prepared for its submission to the County of Fairfax.

Financial.

- At the beginning of the fiscal year, the fair market value of the Trust's liquid corpus was \$24,532,792.
- At the end of the fiscal year, the fair market value of the Trust's liquid corpus was \$19,999,388.
- Dividends, interest, realized gains on the disposal of assets, and miscellaneous receipts totaled \$899,290. This figure represents approximately 3.77% of the Trust's average noncharitable liquid (investable) corpus during the fiscal year.

Respectfully submitted,



Jeffrey J. Fairfield
Executive Director
October 20, 2020