



Winter 2006/2007

# MaineCF

NEWS FROM THE MAINE COMMUNITY FOUNDATION

## legacies for maine

# Creating a Family Fund for the Future

Lori and Rod Vogel make plans to educate their children about philanthropy

Lori and Rod Vogel both work for nonprofits, and their two children are barely at the cusp of their teenage years. College and tuition expenses are still ahead. Although they don't have great family wealth and are not anticipating large inheritances, the Vogels have done something remarkable: included a bequest in their wills that will create a donor-advised family fund at the Maine Community Foundation.

It was a decision launched one evening when Rod came home from his job as director of philanthropy at The Nature Conservancy. "If we die next week, our children will get money and they will not have been taught to be philanthropic," he



The Vogel family on an August outing to Peaks Island. (L to R): Tucker, Lori, Tessa and Rod.

said to Lori. How, they both wondered, could they begin to educate their son, Tucker, 13, and their daughter, Tessa, 12?

Having worked 17 years at Fleet Bank's nonprofit investment services group where he managed nonprofit endowments and charitable trusts, Rod came to think in terms of creating a philanthropic vehicle for their children through a family fund. He and Lori decided that having such a fund, and talking over where that money might go, would be a great way to begin to educate their children to consider philanthropy in their daily lives and long-term plans.

Rod knew about the Maine Community Foundation through his work at Fleet and believed that the foundation would offer the most cost-effective way for administering the grantmaking process and managing the assets of a fund. "They are a well respected organization with a sound board and experienced staff. If anybody's going to guide our children about philanthropy in our absence, I'd want it to be the Maine Community Foundation," he says.

While the Vogel Family Fund is not yet established (much of it will come from their wills), Rod and Lori know that they

(continued on pg. 2)

## IN THIS issue



A Special Pledge – p. 2



Highlights from a Year of Celebration and Growth – p. 4



Knowing What is Possible – p. 6



**Board of Directors**

- Robert L. Woodbury**  
*Harpwell, Chair*
- Stephanie A. Bunker**  
*Dover-Foxcroft*
- Tae Y. Chong**  
*Portland*
- David M. Coit**  
*Cape Elizabeth*
- Anne A. Collins**  
*Northport*
- Jean M. Deighan**  
*Bangor*
- David C. Dixon, M.D.**  
*Strong*
- Caroline G. Donnelly**  
*York Harbor*
- Eileen M.L. Epstein, Esq.,** *Portland*
- Sandra Featherman**  
*Kennebunkport*
- Elisabeth C. Heyward**  
*Mount Desert*
- Horace Hildreth, Jr.**  
*Falmouth*
- Anne O. Jackson**  
*Yarmouth*
- William H. Kieffer, III**  
*Bethel*
- David W. King**  
*Limestone*
- Donna M. Loring**  
*Richmond*
- C. Davis Pike**  
*Lubec*
- Betty D. Robinson, Ph.D.**  
*Auburn*
- Peter Rothschild**  
*Islesboro*
- Mary R. Saltonstall**  
*Camden*
- Bruce N. Schatz**  
*Manchester*
- Curtis Scribner**  
*Yarmouth*
- Kenneth S. Spirer**  
*Portland, Vice Chair*
- Arthur Thompson**  
*Limestone, Treasurer*
- Calvin E. True**  
*Brewer, Secretary*
- Anne L. Vartabedian**  
*Southport*
- Henry L. P. Schmelzer**  
*Somesville, ex officio*

**Staff**

- Karen Allen-Maguire**  
*Accountant*
- Ann Marie Bartoo**  
*Regional Coordinator (Androscoggin, Oxford, Franklin and Somerset)*
- Marcie Bowden**  
*Grants Manager*
- Pamela Cleghorn**  
*Philanthropic Services and Program Officer, Portland Office*
- Elizabeth Fickett**  
*Administrative Assistant to Scholarships and Grantmaking*
- Cherie Galyean**  
*Regional Coordinator (Knox, Waldo, Hancock and Washington)*
- James Geary**  
*Vice President, Finance and Administration*
- Karen Hartt**  
*Philanthropic Services Research Coordinator*
- Marty Huckins**  
*Database Assistant*
- Meredith Jones**  
*Vice President, Program Development and Grantmaking Services*
- Carl Little**  
*Director Marketing and Communications*
- Garrett Martin**  
*Director, Program Strategy*
- Helen McCain**  
*Administrative Assistant, Portland Office*
- Bethany Murray**  
*Grants Assistant*
- Amy Pollien**  
*Assistant to President and Program*
- Ellen Pope**  
*Vice President, Philanthropic Services*
- Charles Proctor**  
*Information Systems Administrator*
- Laura A. Reed**  
*Regional Coordinator (Piscataquis)*
- Gail Richardson**  
*Director of Finance*
- Pamela Scheppele**  
*Regional Coordinator (Aroostook)*
- Henry Schmelzer**  
*President*
- Jennifer Southard**  
*Director, Philanthropic Services, Portland Office*
- Peter Taylor**  
*Director, Grantmaking Services*
- Jean Warren**  
*Scholarship Funds Manager*
- Timothy Williams**  
*Receptionist and Office Assistant*
- Laura Young**  
*Vice President, Advancement*

**Creating a Family Fund** (continued from cover)

have begun to make their wishes known. Should the need arise, their children would already have some guidance. As the children mature, say the couple, they will have increasingly more conversations about their philanthropic interests together as a family and as individuals.

“The need for communities to support nonprofits is great,” Rod states. “After all, we were born in a nonprofit, we received our dog from a nonprofit, we were educated in nonprofits, we occasionally go to church in a nonprofit and we enjoy nature and wildlife preserved and protected by nonprofits.”

Understanding the tremendous needs of these essential enriching institutions, the Vogels want to bring that need home

to their children through ongoing education and their family fund.

Rod is currently on the board of the Maine Island Trail Association and is deeply passionate about conservation. He recently named The Nature Conservancy in Maine in his will. The couple care about animals and education—Lori offers literacy support in the Cumberland school system where they live—and their experience with exposing their children to live theater by attending performances at the Children’s Theatre of Maine places that institution, among others, high on their list. “We want our children to have a little piece of what we care about in their lives,” says Lori. For the Vogels, the future is being planned now.

# A Special Pledge

## River Rock Foundation supports Equity Fund

The River Rock Foundation in Freeport, Maine, has pledged \$750,000 to the Equity Fund at the Maine Community Foundation. The fund, established in 1996, seeks to strengthen organizations committed to addressing gay, lesbian, bisexual and transgender (GLBT) issues and needs in Maine.

“We are favorably impressed with the Equity Fund’s activities over the past decade and find the work of the fund to be crucial to outreach to the GLBT community in Maine,” said Marilyn Bronzi of the River Rock Foundation.

“The River Rock pledge will nearly triple the grantmaking capacity of the Equity Fund,” said Henry Schmelzer, MaineCF president. “We are excited and honored to receive this significant show of support.”



A \$4,500 grant from the Equity Fund supported the production of Carolyn Gage’s award-winning play *Ugly Ducklings* by Hardy Girls Healthy Women and Waterville’s Communities for Children and Youth at Colby College. The play and the discussions it provokes are part of a national movement to end bias-based harassment of gay and lesbian youth. Photo courtesy Hardy Girls Healthy Women



## Kick Start campaign under way

With the help of a National Governors Association grant, this winter the Maine Compact for Higher Education, the Senator George Mitchell Research Institute and the Maine Department of Education are launching “Kick Start: Getting kids college-ready.”

The mission of the campaign is twofold: to enlist and energize parents, community leaders and educators around the state to support the needs of today’s students and to motivate and educate students so they can graduate from high school with the skills necessary for a successful future.



Getting kids college-ready

As a “social marketing” effort, the campaign is designed to change the behavior of students heading to high school, helping them make the right decisions this spring to be better prepared for a rigorous academic program in high school. The primary vehicle for reaching these students will be the Internet and a web page designed specifically for students: [www.GetMaineReady.com](http://www.GetMaineReady.com).

The Maine Community Foundation and the Maine Development Foundation founded the Maine Compact for Higher Education in 2003. For more information about Compact activities, visit [www.collegeforme.com](http://www.collegeforme.com).

## Philanthropy and Collaboration

Heads of Maine’s five largest foundations address the state of philanthropy in Maine

Around 65 Maine grantmakers attended “The State of Maine Philanthropy” hosted by the Maine Philanthropy Center and held at TD Banknorth in Portland on January 9.

The audience listened to what five of the leading figures in Maine’s philanthropic community had to say about trends and issues related to philanthropy in Maine. A recurring theme? The potential and promise of joining philanthropic forces toward a greater good.

Organizational consultant Carol Wishcamper facilitated the lively and informative discussion with William Ryan, TD Banknorth; Henry Schmelzer, Maine Community Foundation; Owen Wells, Libra Foundation; Nancy Winslow, The Davis Foundation; and Wendy Wolf, Maine Health Access Foundation.



Ken Spierer, vice chair of the MaineCF Board of Directors, addresses a question to the panel at the Maine philanthropy summit. Photo: Diane Hudson



# Highlights from a Year of Celebration and Growth

While Maine Community Foundation has enjoyed steady growth since its founding in 1983, the year 2006 was a true record-setter. From the beginning of the year it was clear that grant-making was set to exceed the \$100 million milestone in total grants since 1983. That proved to be the case, with total year-end grants of \$18 million, a 20% increase over 2005.

The numbers (see pg. 5) are an easy measurement of MaineCF's success, but they do not tell the whole story of the impact that the foundation has on improving life in Maine's communities. MaineCF has been intimately involved in all levels of community building activity since its outset. Providing philanthropic leadership and investments is making a difference. Here are a few highlights from 2006.

## 20 Years of County Grantmaking



The first three MaineCF county committees—in Aroostook, Piscataquis and Washington—celebrated their 20th anniversaries. Among the special events, the Aroostook County Committee gathered at the Nordic Heritage Center in Presque Isle for a reception at which they presented an “Honored Grantee” award to Catholic Charities of Maine in recognition of “service to people all over the County who need a helping hand.”

*MaineCF's Aroostook County Committee with some special guests: (front) Virginia Pinkham, Donna Umphrey, Susanne Sandusky, Art Thompson and Georgina "Jo" Lamereau, past advisor and chair; (back) Henry Schmelzer, MaineCF president, Pam Scheppelle, MaineCF regional coordinator, Dick Engels, Aroostook County Committee chair, and Brent Jepson. Photo: Terry Sandusky*



## Youth Philanthropy: A PIP of a Program

The foundation's Partners in Philanthropy program, called PIP, expanded in 2006 with the addition of two programs under the aegis of the Cumberland County Committee. Fittingly, MaineCF's annual fall “Inspiring Philanthropy” evening at the Portland Museum of Art featured Maureen Sedonaen, executive director of Youth Leadership Institute in San Francisco, who spoke on the state of youth philanthropy in America.

*Rachel Armstrong and Betsy Evans Hunt in conversation at MaineCF's Portland Museum of Art reception. Photo: Herb Swanson*

## Strengthening Nonprofit Effectiveness

The 2006 Elizabeth Noyce Award for Nonprofit Excellence went to the **Maine Migrant Health Program** in Augusta, honoring its demonstrated excellence and innovation in working with multi-cultural communities. The organization provides culturally appropriate health care and services to migrant and seasonal farm workers and families. Over the past two years more than 1,000 families have received care through the program.

The Noyce Award for Nonprofit Excellence, which includes a \$10,000 unrestricted grant, honors philanthropist Elizabeth Noyce (1930-1996), who was dedicated to supporting Maine's nonprofits.

As part of its ongoing focus on increasing nonprofit effectiveness, the foundation supported the publication of the Maine Association of Nonprofits' new booklet, *Guiding Principles and Practices for Nonprofit Excellence in Maine*. Several MaineCF staff contributed their expertise to the development of this important resource. Copies may be obtained from MANP.

MaineCF also continued its commitment to strengthening Maine nonprofits through its Program for Nonprofit Effectiveness. Working with **Common Good Ventures**, the foundation awarded \$90,000 in grants and technical assistance

to support work with five nonprofit partners to strengthen their organizational and operational systems and practices.



*Peter Taylor, MaineCF director of grantmaking services, presents the 2006 Noyce Award to Barbara Ginley, executive director of the Maine Migrant Health Program. The presentation took place at the MMHP's staff retreat at the Alamoosook Lakeside Inn in Orland. Photo: Carl Little*

## Remarkable Numbers

Following the traditional flurry of end-of-year giving activity, the 2006 figures are still being finalized, but a few estimates speak to the exceptional year MaineCF has experienced:

- More than \$18 million in grants and scholarships awarded
- More than \$30 million in new gifts
- 96 new funds established—a 15% increase over prior record set in 2005
- MaineCF named as beneficiary of an estimated \$12 million in bequests, charitable remainder trusts, charitable gift annuities and insurance policies
- Solid investment return of 14.6% on the Primary Investment Portfolio, which increased MaineCF assets by \$22 million
- Passed the \$100 million mark in grants and scholarships awarded since its founding in 1983
- Reached \$200 million mark in total assets

## Preble Street Community Partner Award

Preble Street, a major service provider for the homeless in Maine, awarded MaineCF its Community Partner Award. Preble Street is dedicated to providing accessible barrier-free services to empower people experiencing problems with homelessness, housing, hunger and poverty; and to advocate for solutions to these problems. MaineCF donors have supported Preble Street since its founding in the 1980s.



*Mark Swann, Preble Street executive director (left), and Elaine Rosen, Preble Street board president (second from right), presented the Community Partner Award to Robert Woodbury, MaineCF board chair, Laura Young, MaineCF vice president for advancement, and Henry Schmelzer, MaineCF president. Photo: Elena Schmidt.*

# Knowing What Is Possible

Helping clients understand charitable options

As a seasoned estate planner, Leigh McCarthy stresses the importance of helping clients think about the possibilities for being philanthropic in their wills and plans. In a conversation at her Bangor office, McCarthy expanded on the importance of talking with clients about charitable giving. Ellen Pope, MaineCF's vice president of philanthropic services, conducted the interview.

**MaineCF:** *How do you view your role when discussing philanthropic interests with clients?*

**Leigh McCarthy:** My most important role is to raise the issue. There are tax advantages for making charitable contributions, but I also want to find out what my client's goals are and how they feel about charitable contributions. We can then tailor their estate planning documents to what they would really like to accomplish.

**MCF:** *Can you share an example of a planned charitable gift that helped minimize tax consequences for a client?*

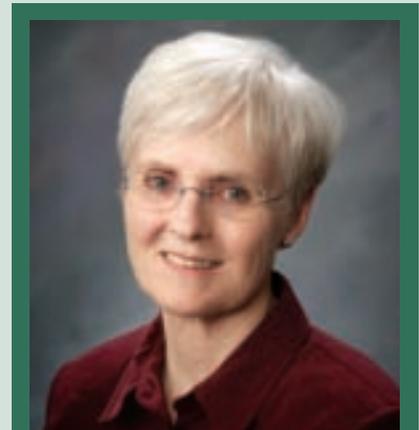
**McCarthy:** I worked with an elderly widow who had significant assets but not a lot to give away. She wanted to support The Nature Conservancy, but she was worried about making gifts and then not having enough to live on later. We set up an *inter vivos* charitable remainder trust to which she transferred highly appreciated stocks. She has an annuity for life from the trust, recognized an income tax deduction at the time of the gift to the trust and has reduced her potential estate taxes. And the trust remainder will go to The Nature Conservancy at her death. The charitable remainder trust structure worked very nicely to meet her needs.

**MCF:** *Do you recommend resources to your clients to help with philanthropic planning?*

**McCarthy:** It depends on what they tell me they want to do. If they're interested in supporting cancer research, for example, then we try to direct them toward opportunities to do that. Most often people who are that focused come to me with an idea already in mind. We frequently do tell people about the Maine Community Foundation because we know you and because we know you're trustworthy and have so many options available for charitable giving. I am always pleased when clients ask about charitable giving because, although there are many bona fide and wonderful charities, unfortunately there also are many advertised "opportunities" for charitable giving that do not operate with the integrity of the Maine Community Foundation.

**MCF:** *If a client is weighing the differences between establishing a private foundation or setting up a donor-advised fund, what are some issues that may arise?*

**McCarthy:** We always talk to clients about the ongoing costs, headaches and responsibilities of managing a private foundation. Usually, when we're talking about a private foundation, it is often associated with a family business that has done quite well. In that context,



Leigh Stephens McCarthy is a senior attorney and partner at the Bangor law firm of Rudman and Winchell. Her practice focuses on estate planning, estate and trust administration, and business and family immigration.

clients generally want to maintain control themselves, though questions may come up related to how a private foundation might affect relationships in the family, who is going to have decision-making authority, or how that authority will be passed to future generations. Often clients have never heard of a donor-advised fund and don't understand what such funds can offer.

**MCF:** *Do you have any stories of a positive outcome from a client's charitable plans after his or her death?*

**McCarthy:** I had a client who was widowed and quite ill and not wealthy. Having struggled herself, she wanted to leave a bequest to the Eastern Agency on Aging to provide funds for elderly people who need transport for medical appointments or for home services, but who have worked all their lives and have a few

## Partnering in Philanthropy

### MaineCF launches Business Partners

assets and don't qualify for Medicaid. We wrote a testamentary bequest to the Eastern Agency on Aging into her Will. Although we notified the Agency at the time the Will was executed that it was a designated beneficiary, the Agency was surprised at the amount of the bequest. It wasn't millions, but to the Agency, and to those it is intended to help, the bequest was substantial, and it will provide meaningful ongoing help for many, just as my client hoped it would.

**MCF:** *What advice would you give your peers about how to approach a discussion of charitable giving with clients?*

**McCarthy:** I guess the only tip I would share is that often clients don't know what's possible. They may not know how to ask questions or what questions to ask about charitable giving. The more an estate planning attorney can encourage clients to talk about their dreams and what sort of legacy they'd like to leave, the more it is possible to offer information and find a way to help clients accomplish something they really want to do—and in some cases obtain a tax benefit, too.

---

*Leigh Stephens McCarthy earned her J.D. from the University of Maine School of Law, summa cum laude, where she served as editor in chief of the Maine Law Review. McCarthy serves by appointment of the Governor as a member of the Maine Board of Bar Examiners.*

As donors, board members and friends of the foundation, business leaders in Maine have been integral to the success of the Maine Community Foundation since its founding in 1983. Recently, former MaineCF Board member J.B. Sullivan and his partners at Portland Global Advisors, a wealth management firm, suggested that the foundation's business partners would welcome an increased level of visibility. And so Business Partners was launched.

"I have always appreciated Maine Community Foundation's role as a leader in philanthropy in Maine," says Sullivan, "and I thought it would be helpful for business leaders across the state to have a place where they could easily organize their charitable giving."

With a new section of its website dedicated to Business Partners and a new logo (which businesses can post on their websites), Maine Community Foundation is recognizing the entrepreneurs and corporate donors who are partners in its efforts to strengthen Maine communities.

Sullivan and his partners chose to support MaineCF's broad array of activities to strengthen the state. "We love Maine and want to give back to our communities," Sullivan says. "We believe that giving to the Maine Community Foundation is a strategic investment."



*J. B. Sullivan and his partners at Portland Global Advisors are strengthening Maine communities through the foundation.*

spotlight grant

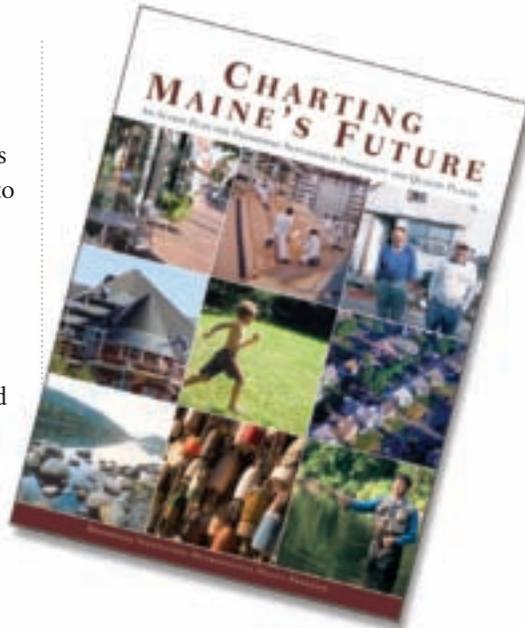
# Charting Maine's Future

An Action Plan for Promoting Sustainable Prosperity and Quality Places

“For all its challenges,” the recently published Brookings Institution report begins, “Maine stands within reach of a new prosperity—if it takes bold action and focuses its limited resources on a few critical investments.”

Judging by the response to the report, Mainers across the state and across sectors agree and have turned out in large numbers to hear more about and discuss the report's recommendations for ways to build a more sustainable, prosperous Maine.

Maine Community Foundation donors were early investors, and five MaineCF donor-advised funds made major grants to support the research and grassroots activities underpinning the report. Visit [www.growsmartmaine.org](http://www.growsmartmaine.org) for a copy of the report or to view an executive summary.



## Brookings Report and Philanthropy

Maine Community Foundation donor advisors and funder members of the Maine Philanthropy Center will convene in March to discuss the role of private philanthropy in advancing the recommendations of *Charting Maine's Future*. For information, visit [www.maine philanthropy.org](http://www.maine philanthropy.org)

*The Brookings Institution report has provoked discussion about the future of Maine.  
Cover courtesy GrowSmart Maine*



MAINE COMMUNITY FOUNDATION

245 Main Street • Ellsworth, ME 04605

[www.maine cf.org](http://www.maine cf.org)

NON-PROFIT  
U.S. POSTAGE  
PAID  
AUGUSTA, ME  
PERMIT NO. 121