

**Catholic Charities
Board of Directors
Minutes of the Meeting of August 22, 2019**

Members Attending: Most Reverend Paul Coakley, Chairman; Vi Le, President; Mike Sterkel, Secretary-Treasurer; Ray Haefele, Vice President; Bob Bates; Connie Burnett; Rhonda Carretero; Deacon Tony Crispo; Nick Dell'Osso; Michael Milligan; Reverend John Metzinger; Kathy Williams

Members Absent: Tom Casso; Abe Castillo; Jerry Krittenbrink; David Madigan; Reverend Rick Stansberry

Others Present: Dave Ashton, Damon Britton, Karen Kreger, Jane Moon, Monica Palmer, Patrick Raglow and Jessi Riesenber

Call to Order/Determination of Quorum

Vi Le called the meeting to order at 10 a.m. at Church of the Epiphany of the Lord in Oklahoma City, immediately following a board-staff retreat to discuss the past year's progress toward implementation of the 2018-21 Strategic Plan and plans for the coming year. Members recited the mission statement. It was determined that a quorum was present.

Introduction of New Members

Vi Le introduced new board members Nick Dell'Osso and Michael Milligan who began three-year terms effective July 1. Nick Dell'Osso has served on the Catholic Charities Finance and Audit committees since 2012. Michael Milligan has served on the Finance Committee since 1982 and has completed many terms on the board over the past 30 years, including several terms as Secretary-Treasurer.

Patrick Raglow also reported that University of Oklahoma student Elliot Hartman will participate as a non-voting Board Fellow this year through the JCPenney Board Fellow Program. Elliot Hartman was unable to attend the meeting but will arrive in time for the Annual Mass and luncheon immediately following the meeting. Throughout the 2019-20 academic year he will attend Catholic Charities board meetings and assist with other events to learn about board service and help promote Catholic Charities' mission.

Consent Agenda

- Kathy Williams made a motion to approve the board minutes of June 27, 2019. Deacon Tony Crispo seconded the motion and it was unanimously approved.
- Connie Burnett made a motion to approve the Executive Committee minutes of July 30, 2019. Father John Metzinger seconded the motion and it was unanimously approved.

Committee Reports

Finance Committee

June Financial Report

Mike Sterkel presented the year-end Financial Report of June 30, 2019, that was included as *Attachment 3* in the meeting packet. He noted that the report format was different from the dashboard format distributed at board meetings in recent years and he explained that staff has redesigned it to capture the agency's most important financial highlights in easier-to-read text and graphs. It is hoped that the new format will help strengthen board members' evaluation of the agency's complex financial statements and allow members without heavy accounting backgrounds to more easily understand the flow of financial activity. Over the next few months staff will take board feedback on the report format and the types of information provided in it and will continue to refine the design.

Mike Sterkel reviewed the report and explained that it depicted financial activity through June 30, 2019 (the final month of the fiscal year), and therefore focused on year-end information. Going forward throughout the fiscal year, the reports will contain year-to-date information. Year-end report highlights were as follows:

- The agency received several sizable bequests and memorial gifts this year totaling more than \$1,700,000.
- Total cash increased by nearly \$600,000 from last year.
- Pledges Receivable decreased by more than \$500,000 due to the fulfillment of Capital Campaign pledges.
- Investments increased \$1,500,000 over last year due to estate gifts and market gains.
- Although designated public support was below budget this year, the shortfall was offset by receipt of several unbudgeted grants.
- Total revenue increased by more than \$2,000,000 over last year.

He noted that the budget includes an operating deficit because certain revenue items, such as bequests and investment gains, are unpredictable from year to year and therefore are not included in the budget. He pointed out that the year actually ended with a surplus due to these unbudgeted revenue sources and the agency is financially strong.

Patrick Raglow encouraged all board members to study the report and provide feedback to the Finance Committee and Finance Director Karen Kreger regarding the report's usefulness to them and whether they desire any additional information or format changes.

Request for Staffing Additions

Patrick Raglow distributed a handout outlining a request to add staffing not included in the 2019-20 budget. During budget preparation, a decision was made to reduce staffing at the front desk and Immigration Legal Services. However, during July, it quickly became apparent that the reductions were unsustainable due to high workload. In addition, activity in the Disaster program is increasing due to recent flooding. Therefore, he has requested the following staffing additions:

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| 1. Add part-time Administrative Assistant for Senior Director of Social Services | \$21,780 |
| 2. Increase part-time ILS Receptionist position to full-time | \$16,317 |
| 3. Add part-time Disaster Assistant for 90 days | <u>\$ 5,800</u> |

TOTAL REQUESTED	<u>\$43,897</u>
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Disaster staffing will be further evaluated after Catholic Charities learns the extent of its role in a potential OEM-FEMA grant-funded flood disaster recovery.

He reported that the Finance Committee voted on August 20 to approve the requested additional funds to increase staffing, but not to formally revise the budget. Mike Milligan explained that the Finance Committee felt confident approving the request in light of the unplanned extra revenue that has been received in recent years, and that the committee trusted the Executive Director's ability to gauge the staffing needs of the agency.

The board then discussed the potential for stress on staff members during the budget process when they must rely on guesswork in deciding how much bequest revenue, if any, to include in the budget for the coming year. In recent years, although the higher-than-expected bequest revenue has been beneficial in covering operating deficits, the inherent uncertainty of bequest revenue makes long-term program-planning difficult. Patrick Raglow said he expects the upcoming program services review to result in a holistic assessment of the agency that will provide the clarity and direction necessary to address such budgeting dilemmas.

New Service Fees for Counseling

Patrick Raglow reported that nominal fees will be charged for Catholic Charities counseling services beginning in August. A letter has been sent to all priests and parish staff informing them of the new fees. For more than a decade, counseling services were provided free of charge, but now, to help cover rising costs of providing the services, clients will be charged \$20 per individual session and \$10 per group session, which is still less than the typical insurance co-pays charged for counseling services. Catholic Charities counseling services are available to all parishioners, pastoral staff, Catholic school staff and students, as well as any clients participating in other Catholic Charities programs. To date, no negative feedback about the fees has been received from clients, clergy or parishes.

Patrick Raglow also reported that staff is exploring possible funding from the Archdiocese of Oklahoma City to cover some of the costs of immigration legal services provided by Catholic Charities to priests and religious sisters who come from other countries to minister in the Archdiocese.

Development and Outreach (D&O) Committee

Jessi Riesenbergr distributed the July D&O report. Discussion highlights are below:

- \$2,709,286 has been received toward the \$2,750,000 goal in the 2018 Annual Appeal. Gifts will be received through December.
- The 2019 Annual Appeal goal is \$2,700,000. An advanced appeal mailing was sent to top donors and staff is meeting with pastors regarding goals for their respective parishes.
- Applications are pending for two \$50,000 corporate grants.

- Staff recently has focused on Guymon, Lawton and Enid by increasing media relations, identifying prospective donors, meeting with local pastors and supporters, and exploring possibilities for hosting fundraising events in those communities.
- The Reds, Whites & Brews fundraiser in July raised almost \$24,000.

Patrick Raglow thanked board members who have agreed to speak at parishes on behalf of Catholic Charities over Annual Appeal Weekend in September.

Governance Committee

Status of Reactivation of Program Services Ad Hoc Committee

Patrick Raglow reported that the reactivated Program Services Ad Hoc Committee will include staff, members of the community, and past and present board members. Committee meetings will begin this fall after all members are confirmed.

2019-20 Committee Assignment Process

Connie Burnett reported that the Governance Committee is finalizing committee recruitment. It plans to recommend committee assignments for board approval at the October 3 meeting. She asked all board members who have not yet done so to reply to Jane Moon's recent email requesting their assignment preference for this fiscal year. She also reminded members that recruitment of new members is the role of the Governance Committee. Board members who know of prospective candidates should inform a Governance member so the committee can appropriately vet those candidates.

Annual Conflict of Interest Disclosure Statements

All board members are asked to promptly complete, sign and return to Jane Moon the annually required Conflict of Interest Disclosure form to be emailed to them in September.

2019-20 New Board/Committee Member Orientation Process

Connie Burnett reported that the Governance Committee will host its recently revamped orientation session for new board and committee members on September 4. All new, prospective or current members are invited to attend and learn more about Catholic Charities' programs and governance process.

Agency Policy Review Status

Connie Burnett noted that the Council on Accreditation and Catholic Charities' bylaws require that the board approve all agency policies. In the past year, senior staff completed a process to separate each policy and its related procedures into two separate documents. After the board has reviewed and approved each policy, staff may revise procedures as necessary while ensuring they remain in compliance with the board-approved policy. Connie Burnett will conduct an initial review of all the policies, and then the full Governance Committee will review them to recommend them to the board.

for formal approval. After this baseline approval, the board will review the policies annually to approve any new policies and policy revisions.

Long-Range Planning Committee

Catholic Charities staff and board members – during a retreat immediately before the meeting – reviewed the first year’s progress toward the three-year 2018-21 Strategic Plan. Kathy Williams congratulated staff on the board’s behalf for working hard to successfully implement Year 1.

Sponsored Housing Boards

Villa Isenbart/Trinity Gardens

Michael Milligan referred members to his written quarterly report included as *Attachment 4* in the meeting packet, and he offered to answer any questions regarding it. The report gave quarterly highlights of operations, finances, and actions taken by the boards of directors of those properties. He said both properties are operating well.

Columbia Square Inc./Villanova Apartments

Patrick Raglow reported that operations are going well at Villanova Apartments which is overseen by the Board of Directors of Columbia Square Inc. He said the Columbia Square Inc. board is revising its bylaws to bring the wording into closer alignment with the bylaws of Villa Isenbart Inc. and 3825 N.W. 19th Inc. (Trinity Gardens). The three boards are working together to eventually merge their meeting schedules, so that the three entities may hold their separate meetings back-to-back on the same day at the same location to encourage shared awareness of operations across all three properties.

Old Business

Villanova Surplus Cash MOU

Patrick Raglow presented the final signed Memorandum of Understanding with the Archdiocese of Oklahoma City to name Catholic Charities as the recipient of surplus cash distributions from Villanova Apartments. The MOU was included as *Attachment 5* in the meeting packet.

Affordable Housing

Patrick Raglow distributed copies of the July 2019 issue of “Curbside Chronicle,” featuring the status, statistics and possible solutions for the affordable-housing gap in Oklahoma City. In the coming year, Catholic Charities will explore ways it might play a greater role in relieving the shortage in Oklahoma City and across the Archdiocese.

New Business

Michael Milligan made a motion that the board re-elect Stacy Kurtz, Director of Catholic Charities’ Enid Regional Service Location, to serve as Catholic Charities’ representative to the Enid Community

Development Support Association (CDSA). Deacon Tony Crispo seconded the motion and it was approved unanimously.

Deacon Crispo praised Stacy Kurtz's work with Catholic Charities' clients in the Enid area as well as the strong partnerships she has developed with other social service providers.

Executive Director's Report

- Patrick Raglow reported that, after Catholic Charities of Eastern Oklahoma decided to withdraw from providing refugee resettlement services, Catholic Charities of the Archdiocese of Oklahoma City opened a Tulsa office to provide refugee services in the Tulsa area as well as Oklahoma City. The Trump Administration is considering reducing the number of arriving refugees from the current nationwide average of 50,000 to 90,000 to only 3,000 or fewer next year. Such a reduction would decrease funding for resettlement agencies so severely that it could threaten the national infrastructure for refugee resettlement.
- The one-page 2018-19 Catholic Charities Annual Report was distributed during the meeting.

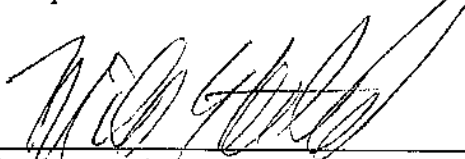
Chairman's Remarks

Archbishop Paul Coakley welcomed the new board members and praised the work of the committees that sustains the work of the board and staff. He called Catholic Charities a vibrant and robust organization with a fine reputation not just in the Archdiocese, but well beyond the state and the region.

President's Remarks

Vi Le noted that Catholic Charities has played a great role in the spirit of renewal throughout the Catholic Church in the past year. She thanked the board for joining her in the past year to aggressively restructure the board meeting schedule – reducing regular board meetings while strengthening committee work. She asked members to continue providing feedback on the new schedule and recommending ways to increase board and committee effectiveness.

The meeting was adjourned at 11 a.m. and it was followed by the Catholic Charities Annual Mass, Awards presentation and luncheon.



Michael R. Sterkel, Secretary-Treasurer

10-3-19

Date