

**Catholic Charities  
Board of Directors  
Minutes of the Meeting of June 22, 2017**

**Members Attending:** Rhonda Carretero, President; Vi Le, Vice President; Michael Milligan, Secretary-Treasurer; Bob Bates; Randy Calvert; Abe Castillo; Deacon Tony Crispo; Ray Haefele; Jerry Krittenbrink; David Madigan; Reverend John Metzinger; Reverend Rick Stansberry; Mike Sterkel; Maria Wallace

**Members Absent:** Most Reverend Paul Coakley, Chairman; Tom Casso; Kathy Williams

**Others Present:** Damon Britton; Bart Ferrell; Richard Klinge; Karen Kreger; Jane Moon; Monica Palmer; Patrick Raglow

**Pre-Meeting Presentation**

At 11:45 a.m., before the regular meeting opened, Damon Britton, Senior Director of Social Services, gave an overview of the state of homelessness in Oklahoma City, including the most recent Point-in-Time count, types of homelessness, and Homeless Services provided by Catholic Charities. He distributed brochures about Catholic Charities' Sanctuary Women's Development Centers and provided tips for those approached by homeless people requesting assistance.

**Call to Order/Determination of Quorum**

Rhonda Carretero called the meeting to order at 12:10 p.m. and Father John Metzinger led the opening prayer to St. Teresa of Calcutta. Members recited the mission statement. It was determined that a quorum was present.

**Consent Agenda**

Ray Haefele made a motion that the minutes of the meeting of May 25, 2017, be approved as submitted. Maria Wallace seconded the motion and it was approved unanimously.

**Committee Reports**

Finance Committee

*May Financial Report*

Michael Milligan reviewed the Financial Report for May and noted that several adjustments and reclassifications have been made to correct the way revenue is booked for grant agreements with clawback provisions that require payback of any unused funds. Revenue from these grants, like grants without clawbacks, originally was recognized in the year it was received, even if it was to be spent in the subsequent year. However, auditors and staff now agree that revenue from grants with clawback provisions should not be recognized until it is actually used for its designated purpose. The transition this year to the new reporting procedure has caused some confusion, because a casual review of the past year's financial statements could lead one to believe that the revenue from these

clawback grants was recognized twice. However, the audit report will explain the adjustments and clarify the procedure going forward.

### *2017-18 Budget Approval*

Michael Milligan first reviewed the Operating Cash Analysis as of May 31, which showed an operating cash balance of \$1,370,378. Most of this balance will be spent during June, July and August, before most of the revenue from the 2017 Annual Appeal is received. He then reviewed the following highlights from the proposed 2017-18 Budget:

- Last year's Annual Appeal fell short of its \$2,650,000 goal by about \$51,000. This year's appeal goal is again \$2,650,000.
- Private and Corporate funding has again been budgeted at \$300,000. Although fundraising last year fell short of this goal, new development efforts are now in place and improved outcomes are expected.
- Total Employee Wages and Benefits is budgeted at \$4,392,753. A 3% wage increase is budgeted for existing positions. No new positions are planned.
- The proposed budget shows a deficit of \$1,213,176. After accounting for depreciation and funding released from restricted assets, total cash required to be withdrawn from reserves to balance the budget will be \$589,768.

Board members expressed concern that this rate of withdrawal from the operating reserve cannot be sustained on an annual basis. They agreed it is imperative to increase revenue or reduce costs to prevent reserve depletion.

Patrick Raglow outlined the following measures being taken to reduce costs and increase revenue:

- A recent staff restructuring in the Finance and Development departments has enabled more efficient data reporting for analysis of donation trends and identification of new funding sources.
- Senior directors with help from the Mission Advancement Committee now will refine the data further, and then senior directors will use the findings to develop recommendations for cost reduction.
- A new Senior Director of Development is expected to be hired by the end of June.

The board reviewed the following recommendations from the Finance Committee:

Recommendation 1. After a review of the proposed 2017-18 Catholic Charities budget, the Finance Committee has determined that the budget reflects the best estimate of revenue and expenses for the next 12 months, and the committee recommends that the Board of Directors adopt this budget on an interim basis pending a review of revenue, expenses and programs.

Recommendation 2. The Finance Committee recommends that the Board of Directors, in conjunction with the Catholic Charities staff, review all programs within 60 days to identify revenue enhancement or cost reductions resulting in a \$400,000 net deficit reduction.

Michael Milligan made a motion that the board adopt Recommendation 1 as stated. Ray Haeefele seconded the motion and it was unanimously approved.

Michael Milligan made a motion that the board adopt Recommendation 2 as stated. Maria Wallace seconded the motion and it was unanimously approved.

The board then discussed the proposed Capital Improvements/Purchase expenditures for relocating the Norman Sanctuary Women's Development Center to a building at St. Joseph Church in Norman and remodeling the building at an estimated cost of \$76,271. The relocation plan would result in rent savings of \$2,000 per month. A St. Joseph parishioner has donated \$26,000 for the remodeling project, so the total expenditure from Catholic Charities funds would be \$50,271. Michael Milligan moved that the board approve the proposed expenditures. Ray Haeefele seconded the motion and all approved.

### Governance Committee

#### *Election of Michael Sterkel as Secretary-Treasurer*

Maria Wallace presented the Governance Committee's recommendation that Michael Sterkel be elected as Secretary-Treasurer of the board effective July 1, 2017, through June 30, 2018, to complete the final year of Michael Milligan's two-year term which began July 1, 2016. She moved for a vote. Jerry Krittenbrink seconded the motion, and Michael Sterkel was elected Secretary-Treasurer by unanimous vote.

#### *Approval of Michael Milligan's Continued Service on 3825 N.W. 19<sup>th</sup> Inc. Board of Directors*

Maria Wallace made a motion that the board approve the Governance Committee's recommendation that Michael Milligan be appointed to continued service on the 3825 N.W. 19<sup>th</sup> Board of Directors which oversees operations at Trinity Gardens senior apartments. He currently serves on the 3825 N.W. 19<sup>th</sup> Inc. board. However, upon expiration of his final term on the Catholic Charities Board of Directors on June 30, he must be formally appointed to continue service on the 3825 N.W. 19<sup>th</sup> Inc. board. Ray Haeefele seconded the motion and it was unanimously approved.

#### *Approval of Michael Milligan's Continued Service on Villa Isenbart Inc. Board of Directors*

Maria Wallace made a motion that the board approve the Governance Committee's recommendation that Michael Milligan be appointed to continued service on the Villa Isenbart Inc. Board of Directors which oversees operations at Villa Isenbart senior apartments. He currently serves on the Villa Isenbart Inc. board. However, upon expiration of his final term on the Catholic Charities Board of Directors on June 30, he must be formally appointed to continue service on the Villa Isenbart Inc. board. Ray Haeefele seconded the motion and it was unanimously approved.

#### *Board Recruitment and Reappointment*

Maria Wallace reported that Governance members and Patrick Raglow will meet with two board candidates this summer and will provide an update at the August meeting.

### *Committee Assignments*

Each board member will receive an email from Jane Moon before the end of August stating the board member's current committee assignment and asking for a reply whether that member wants to remain as currently assigned or accept a different assignment.

### Mission Advancement Committee

Volunteers are needed in the fall to help open Annual Appeal donations as they are received and enter them into the Raiser's Edge database. Any board member who would like to volunteer or who knows someone else who would like to volunteer should contact the Mission Advancement staff.

The Mission Advancement Committee will hold its next meeting in July.

### **Old Business**

#### *Proposed Changes to Accounting Policies/Procedures*

This item was deferred to a future meeting.

#### *Introduction to Strategic Planning Process*

Patrick Raglow asked members to review during the next few months the current 2015-2018 Strategic Plan that was included in the meeting packet. The board will develop the 2018-2021 Strategic Plan throughout the upcoming fiscal year.

#### *Update Regarding Audit Committee Membership Requirements – COA Standards*

In May, the board discussed a Catholic Charities bylaw requirement that the Audit Committee include at least one member who does not serve on the board or Finance Committee. Currently, all Audit Committee members also serve on the Finance Committee, and it was suggested that the board either remove the bylaw requirement or recruit a new Audit Committee member who does not sit on the Finance Committee. Before consideration of a bylaw change, Bart Ferrell offered to confirm whether the rule is required by the Council on Accreditation (COA).

In follow-up, he reported the following written interpretation of Financial Management requirements issued by the COA:

If the audit committee is not independent of the finance committee an organization may be able to receive a rating of 2 if:

- a) the selection and oversight of the auditor ... is managed by a board sub-committee that:
  - is chaired by a board member who is not also the chair of the finance or executive committee;

- and includes at least one person who is not a member of the finance committee; and
- b) no organization staff, including the CEO and CFO, or relatives of staff participate in selection of the auditor or oversight of the audit process.

It was agreed that the Governance Committee will identify a board member who currently serves on the Finance and Audit Committees, and who chairs neither the Executive Committee nor Finance Committee, to resign from the Finance Committee and serve as chair of the Audit Committee. The assignment will be made sometime within the 2017-18 fiscal year.

### **New Business**

No new business was discussed.

### **Executive Director's Report**

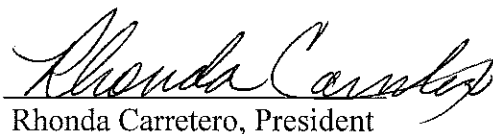
In addition to his written report to the board, Patrick Raglow reported the following:

- Catholic Charities USA (CCUSA) has invited Oklahoma City staff members to give a presentation about the Cabrini Wellness Ministry during the CCUSA Annual Gathering in Houston in September. The Cabrini Wellness Ministry is a partnership of the Catholic Charities counseling staff and the Archdiocese of Oklahoma City that includes Question-Persuade-Refer (QPR) suicide prevention training and Mental Health First-Aid training.
- Patrick Raglow will give a presentation about Catholic Charities at the Rotary Club Breakfast on July 20. Archbishop Paul Coakley will present to Rotary Club on Sept. 5.
- Catholic Charities thanks all board members who attended United Way site visits and allocation interviews in Oklahoma City, Ardmore, Lawton, Enid and Norman.

### **President's Remarks**

Rhonda Carretero praised the financial leadership and long tenure of Michael Milligan as his final term ends on June 30. Patrick Raglow thanked him for his time and guidance throughout his multiple terms as Secretary-Treasurer and Finance Committee chairman. Michael Milligan said he was grateful to have the opportunity to use his financial knowledge to help Catholic Charities help the poor, and he is proud of the civil, courteous cooperation of all board and staff members.

The meeting was adjourned at 1 p.m.

  
Rhonda Carretero, President

8/24/2017  
Date