

**Catholic Charities
Board of Directors
Minutes of the Meeting of November 29, 2018**

Members Attending: Most Reverend Paul Coakley, Chairman; Vi Le, President; Ray Haefele, Vice President; Mike Sterkel, Secretary-Treasurer; Connie Burnett; Rhonda Carretero; Abe Castillo; Deacon Tony Crispo; Jerry Krittenbrink; David Madigan; Reverend John Metzinger; Reverend Rick Stansberry; Ian Mooers, OU Board Fellow

Members Absent: Bob Bates; Tom Casso; Kathy Williams

Others Present: Catholic Charities staff members Dave Ashton, Karen Kreger, Jane Moon, Monica Palmer, Patrick Raglow and Jessi Riesenberg; Cristo Rey Oklahoma City High School student Emilio Celayo; BKD auditor Chad Moore

Pre-Meeting Presentation

At 11:45 a.m., as members were having lunch before the meeting opened, Sanctuary Women's Development Center Director Jessica Nuno gave a progress report on the Sanctuary's newly implemented emergency winter night shelter for women and children.

Following the report on the night shelter, Senior Director of Development and Outreach Jessi Riesenberg introduced recently hired Director of Annual Giving Christi Jeffreys.

Call to Order/Determination of Quorum

Vi Le called the meeting to order at noon with the Prayer for Faith and Common Good. Members recited the mission statement. It was determined that a quorum was present.

Consent Agenda

Jerry Krittenbrink moved that the minutes of September 27, 2018, be approved as submitted. Connie Burnett seconded the motion and it was unanimously approved.

Committee Reports

Audit Committee

Audit Committee Chair Jerry Krittenbrink introduced BKD auditor Chad Moore who presented highlights from the 2017-18 Catholic Charities Audit Report draft and noted the following:

- The audit resulted in an unmodified opinion.

- A change in the accounting standards during the year requires that the operations of Trinity Place, an Oklahoma Limited Partnership, now be included in the consolidated operations of Catholic Charities. Note 17 of the report states that Catholic Charities applied the new method retrospectively and prior years have been adjusted to apply the change.
- More changes in accounting standards are expected in the coming year.

Chad Moore praised the Audit Committee for meeting regularly to conduct a studious and thorough review of the report. He noted that the agency's finances are complex but well-managed by the staff. Jerry Krittenbrink likewise commended Catholic Charities' finance staff for its work on the audit especially in light of a staff shortage during the process.

Rhonda Carretero moved to approve the 2017-18 Audit Report draft as presented. Father John Metzinger seconded the motion and it was unanimously approved.

Finance Committee

Financial Report for August, September and October

Mike Sterkel presented the following highlights from the financial report that was included as *Attachment 4* in the meeting packet:

- Although the 2018-19 budget depicted a \$253,000 cash deficit, no bequests or investment income are included in the budget, and by October, the agency had received \$153,000 in bequests, thus making up all but \$100,000 of the operating deficit. Another \$150,000 in bequests is anticipated before the end of the fiscal year.
- Investments were up \$224,000 from last year.
- The agency received \$250,000 from the Oklahoma Emergency Management grant.
- The remaining \$300,000 received from the Crossbeams Capital Campaign has gone into the building endowment.

Sponsored Housing Report

Villa Isenbart/Trinity Gardens

In addition to the written report included as *Attachment 5* in the meeting packet, Patrick Raglow and Jerry Krittenbrink reported the following:

- The 2017-18 audit for Villa Isenbart contained an unmodified opinion and no material weaknesses or audit findings.
- United Way Emerging Leaders volunteers will host the fourth annual Holiday Gala on December 3 at the Oklahoma History Center for residents of Trinity Gardens, Villa Isenbart and several other senior housing projects. Board members also are invited to attend.

- Although vacancies have been higher than normal in the past several months, the situation is improving with Villa Isenbart now fully occupied and Trinity Gardens 96.6% occupied.
- Trinity Gardens will host the annual Thanksgiving Luncheon for clients of the Oklahoma City Sanctuary on November 20.

Columbia Square/Villanova Apartments

- Property Tax Liability-Broker Opinion of Value. Patrick Raglow reviewed *Attachment 6* in the meeting packet – the Broker Opinion of Value (BOV) on Villanova Apartments in Lawton. The BOV was requested by Enterprise, the Villanova limited partner, as part of the limited partner early-exit exploratory process requested by Catholic Charities. Although Enterprise ultimately decided not to pursue the early exit due to the difficulty of obtaining approval from all 300 of its investors, Patrick Raglow chose to present the BOV information to the board for information purposes. He noted that the BOV showed a 2018 Assessed Value on the property of \$336,336, with a tax calculation of \$28,000, and the Finance Committee had questioned why a project sponsored by a non-profit such as Catholic Charities would be liable for property taxes. The reason is that the actual owner of Villanova is a for-profit limited partnership made up of many investors who receive tax credits for the property, so the property must remain on the tax rolls. When the General Partner, Catholic Charities – a non-profit – eventually buys out the Limited Partner, then the property will be exempt from property tax.
- Surplus Cash and 2nd Mortgage Update. Patrick Raglow explained that Catholic Charities earlier in 2018 received a surplus cash distribution from the Villanova affordable housing project. Although Catholic Charities sponsors the project, the property is owned by the Archdiocese of Oklahoma City. Therefore, there is confusion over whether Catholic Charities or the Archdiocese should receive this surplus cash distribution and any future distributions. Catholic Charities and Archdiocesan staffs will work with auditors to determine and document which of the two entities should be the recipient and in what order the distributions should be applied to the various mortgages on the property.

Governance Committee

Performance Quality Improvement (PQI) Report

Jessi Riesenbergs presented the 2018-19 PQI report for the first quarter (July, August and September) which was included as *Attachment 7* in the meeting packet. She noted that staff has spent the past year revamping the PQI process by streamlining data collection and incorporating program outcome measurements into the analysis.

In October, program directors held a PQI meeting to analyze actual first-quarter performance versus benchmarks set by each program. Benchmarks for each program are set according to various factors, such as industry standards and staff's informed assessment of Catholic Charities' service capacity. After the PQI meeting, each director completed a survey giving each the opportunity to explain why their program may have over-performed or under-performed against

benchmarks. Each quarter, staff will evaluate and refine benchmarks, and adjust programs and services as needed for improved performance.

Two added features of the new PQI process are (1) publication of “cool numbers,” which are interesting facts and statistics gleaned from the PQI analysis that are useful in sharing Catholic Charities’ story with supporters, lawmakers and community partners; and (2) incorporation into PQI of the File Review Reporting Form required for compliance with Council on Accreditation standards.

Staff is still developing the new formats for the Facilities Review and Grievance portions of the PQI report.

Long-Range Planning Committee

Strategic Plan Implementation Status

Patrick Raglow reported that staff has begun the following objectives to implement goals outlined in the 2018-21 Strategic Plan:

- Program directors are holding regular leadership discussions on the book Crucial Conversations, which provides frameworks for strengthening team relationships and making crucial program decisions with clarity, civility and objectivity.
- All staff members together are participating in monthly sessions of “Critical Questions,” a process to engage them as a team in identifying areas for improvement for each program and suggesting possible solutions.
- On January 11, all agency supervisors will attend a special training led by the author of Being a Supervisor 1.0. Supervisors from partner agencies and the Archdiocese have also been invited to attend.
- The COA reaccreditation process is now fully underway. Staff is reviewing all policies and procedures in compliance with COA standards and making applicable updates.

Executive Committee Report

Approval of United Way of Enid and NW Oklahoma Application

Patrick Raglow reported that the Executive Committee met via email on November 13 to review and approve in time for the November 16 deadline the completed 2018 application requesting \$25,000 in funding from United Way of Enid and Northwest Oklahoma for general operating expenses in Catholic Charities’ Enid Regional Service Location. Minutes of the Executive Committee meeting were included in the board meeting packets.

Development and Outreach Committee (D&O)

Ray Haefele reported the following:

- The Annual Appeal to date has generated slightly less than \$2,000,000 toward the \$2,750,000 goal. To date, donors total about 5,600 compared with about 7,000 last year. The donor decrease is mainly among donors of less than \$500; higher-level donor numbers have stayed steady. The decrease could be the result of the tax law change that nearly doubled the standard deduction.
- Catholic Charities and Archdiocesan staffs are working together with Archbishop Paul Coakley to send a special Annual Appeal mail solicitation to several thousand Archdiocesan donors not currently giving to Catholic Charities.
- Long-time Director of Parish Engagement Becky VanPool is retiring December 31. Parish Engagement Coordinator Brian Smith will be promoted to her director position. Board members are invited to her retirement party at Catholic Charities on December 19.
- Preparations for A Very Giving Christmas are underway. The program is a collaboration between Catholic Charities and Sunbeam Family Services, providing Christmas gifts to families in need through the St. Nicholas Shoppe. The shoppe this year will be set up at Sunbeam. Catholic Charities board members are invited, along with Sunbeam board members, to help restock the shoppe shelves on the evening of December 14. The volunteer event will be followed by a reception.
- The Green Tie Gala, set for February 16, has already raised \$198,000 in sponsorships. This is well above pre-gala proceeds in prior years.

Vi Le requested that D&O staff at future board meetings provide board members with information about specific ways they can assist fundraising efforts. Jessi Riesenbergsaid that one-on-one contact with potential donors is the most impactful way board members can spread the message about Catholic Charities.

New Business

No new business was reported.

Old Business

Status of Sale of Elizabeth House/Seton House Property and Casa Maria Repairs

The closing for the sale of the Elizabeth House/Seton House property is now expected sometime December 11-15.

Chairman's Remarks

Archbishop Coakley thanked board members for their leadership and engagement in Catholic Charities' mission. He said that sexual abuse scandals have created a difficult year for the church. He noted that the church is a divine institution, but also a very human institution, and church leaders must address the challenges to ensure that abuse incidents do not continue.

Patrick Raglow congratulated Archbishop Coakley for his election as chairman of the Justice, Peace and Human Development Committee of the U.S. Conference of Catholic Bishops.

Executive Director's Report

In addition to his newly formatted Executive Director reports for September and October in the meeting packet, Patrick Raglow announced the following:

- An Immigration Legal Services (ILS) staff member traveled to Houston recently to help with reunification efforts for families separated at the southern border.
- The agency also deployed two ILS employees to San Diego to assist the surge of immigrants who are being released from U.S. Immigration and Customs Enforcement detention centers into the care of Catholic Charities of San Diego.
- U.S. Sen. James Lankford visited with Catholic Charities staff, Archbishop Coakley and Catholic Conference of Oklahoma Executive Director Brett Farley, and toured the Classen building in October. In November, Patrick Raglow hosted staff members from U.S. Sen. James Inhofe's office. He also has had written communication with Congresswoman-elect Kendra Horn about the works of Catholic Charities.

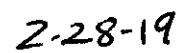
President's Remarks

Vi Le noted the new agenda format, which included a timeframe for each item, and she welcomed board members' feedback on the format change.

The meeting was adjourned at 1 p.m.



Vi T Le, President



Date