Catholic Charities  
Board of Directors  
Minutes of the Meeting of Sept. 24, 2020  

Members Attending: Most Reverend Paul S. Coakley, Chairman; Ray Haefele, President; Jerry Krittenbrink, Vice President; Michael Milligan, Secretary-Treasurer; Bob Bates; Connie Burnett; Abe Castillo; Nick Dell’Osso; Vi T. Le; David Madigan; Maxwell Meier; Reverend John Metzinger; Reverend Rick Stansberry; Kathy Williams; Andrew Ochs, SSM St. Anthony Board Fellow; Will Riney, OU Board Fellow  

Members Absent: Mike Sterkel  

Others Present: McAfee and Taft attorney Cheryl Denney; Catholic Charities staff members Dave Ashton, Theresa Flannery, Karen Kreger, Jane Moon, Monica Palmer, Patrick Raglow, Jessi Riesenber  

Pre-Meeting Presentation  
At 11:45 a.m., before the meeting opened, Patrick Raglow presented an overview of Catholic Charities’ affordable-housing program structure. The program currently includes the independent-living senior apartments of Trinity Gardens and Villa Isenhart in Oklahoma City and the low-income family housing complex of Villanova Apartments in Lawton.  

Call to Order/Determination of Quorum  
Ray Haefele called the meeting to order at noon and Father John Metzinger led the “Prayer of Dependence.” It was determined that a quorum was present. Members recited the mission statement.  

Consent Agenda  
Kathy Williams made a motion that the minutes of the meeting of Aug. 27, 2020, be approved as submitted. Michael Milligan seconded the motion and it was unanimously approved.  

Committee Reports  

Finance Committee  

July and August Financial Reports  
Michael Milligan presented the July and August financial summaries which were Attachments 2A and 2B in the meeting packet. Most of the discussion focused on the more recent August report, although it was noted that, in July, Catholic Charities received an unbudgeted $242,000 bequest from the O’Bar Trust, which was restricted for client services in the Grady County/Chickasha area. Discussion highlights from the August report are below:
• The Annual Appeal began in August, with receipts totaling $356,000 for the month.
• Total Cash year to date was nearly $1.8 million over last August due to the $675,100 Paycheck Protection Program (PPP) loan and the $800,000 bequest from the Bush Trust. Combined with the new O’Bar bequest, these two items have strengthened the agency’s cash position, although more than $1 million of this money is restricted for special purposes.
• Forgiveness of the PPP loan was budgeted in August under Miscellaneous Income but MidFirst Bank has not yet begun the forgiveness process and no rollout date or general timeline has been announced.
• Total Employee Wages and Benefits expenses were over budget by $12,408 due to the timing of reductions in force for Lawton and Immigration Legal Services and temporary salaries for a Catholic Campaign for Human Development (CCHD) intern and the Classen office front desk.
• The year-to-date actual deficit was $14,964 against a budgeted surplus of $341,827 for a variance of $356,791. It was noted, however, that several items have skewed the budget to date (i.e., delayed PPP loan forgiveness, and unbudgeted bequests, memorial gifts and investments). A table on Page 5 of the August statement broke down those variances to show that, when they were accounted for, the actual deficit became $217,837 against a budget deficit of $256,607 for a variance of only $38,770.

Michael Milligan made a motion that the July and August 2020 financial summaries be approved as presented. Maxwell Meier seconded the motion and it was unanimously approved.

Development and Outreach (D&O) Committee

Jessi Riesenberg reviewed the D&O report for May-June 2020, which was emailed to all board members several hours before the meeting. Highlights are below:

• The 2019 Annual Appeal is wrapping up with more than $2.75 million raised against a goal of $2.7 million.
• Due to several considerations, including COVID-19, the 2020 Annual Appeal goal was lowered to $2.54 million from last year’s $2.7 million. As of Sept. 21, this year’s appeal, which began in August, had raised $1.1 million, not including Electronic Funds Transfers (EFT) – a.k.a. automatic checking account withdrawals – continuing from last year’s appeal. The 2020 appeal is about $13,000 ahead of the 2019 appeal on this same date last year.
• The D&O staff has implemented new strategies to reach parish donors despite this year’s low in-person Mass attendance due to COVID-19. Strategies include a larger advanced mailing; a focused email campaign featuring video testimonies from clients; and a follow-up mailing to lapsed donors sent earlier than usual.
• The number of Annual Appeal speeches in parishes decreased this year due to COVID-19 restrictions, but 25 volunteers and staff members were still able to present at 53 Masses.
• Staff also has established the “Halo Society,” a program for donors who commit to giving indefinitely on a recurring basis.
- Media engagements have increased substantially since the hiring of the new Director of Communications.
- Catholic Charities has again received The Oklahoman’s annual Readers’ Choice Award for Best Nonprofit.
- Seven grant applications are pending. A $25,000 application to the Warren Foundation was recently declined.
- Catholic Charities is seeking members for the D&O Standing Committee of the board. Board members are asked to recommend potential D&O Committee members to Jessi Riesenber and the Governance Committee for consideration. Green Tie Gala Planning Committee members are also being sought.
- Jessi Riesenber will be contacting each board member to set one-on-one meetings to discuss each member’s D&O goals for the coming year.

Patrick Raglow reiterated the importance of financial gifts in any amount from board members. Many funders require that 100% of board members financially support the organization before they will approve a grant request from that organization.

The D&O program is now undergoing an outside audit to identify areas for improvement in its operations. The report will be shared with the board when it is received.

**Governance Committee**

*Approval of 2020-21 Committee Assignments*

Connie Burnett presented the Governance Committee’s “Recommendations for FY 2020-21 Catholic Charities Board Committee Assignments,” which were listed on Attachment 3 in the meeting packet. She made a motion that the board approve the committee assignments as submitted. Kathy Williams seconded the motion and it was unanimously approved.

*2020-21 Board and Committee Member Virtual Orientation*

Connie Burnett announced that this year’s board and committee member orientation is set for Oct. 2 at 1:30 p.m. On Sept. 29, the Governance Committee will hold a meeting to finalize arrangements for the orientation. All new and current board and committee members are invited to attend the orientation, which will be conducted virtually this year due to COVID-19 restrictions.

*Hospital/Health Care Ex Officio Board Members and OU Board Fellow*

Patrick Raglow explained the titles and roles of current non-voting board members:

- **OU Board Fellow** – This non-voting position is filled each year by a University of Oklahoma senior participating in the JCPenney Leadership Program. The program aims to broaden students’ perspectives, strengthen their business skills, and create leaders in industry and communities across the nation and the world. Will Riney is the 2020-21 OU Board Fellow.
Hospital/Health Card Ex Officio Board Member – This non-voting position was recommended by Catholic Charities USA as an opportunity to create shared awareness and build working relationships with local hospitals and other health care providers. Andrew Ochs currently serves in this capacity. As Regional Director of Mission Integration for SSM Health St. Anthony, he is responsible for building the Catholic identity at St. Anthony Hospital and SSM Health Care throughout Oklahoma. He also cultivates partnerships with organizations such as Catholic Charities to ensure care for the poor and vulnerable.

Unfinished Business

Trinity Gardens Recapitalization Development Agreement

Patrick Raglow and Michael Milligan reported that the 3825 NW 19th Inc. Board of Directors met on Sept. 21 to approve pursuit by Catholic Charities of a proposed Development Services Agreement for the recapitalization of Trinity Gardens. Catholic Charities board members also were invited to the Sept. 21 meeting. Catholic Charities has retained attorney Cheryl Denney of McAfee and Taft for legal advice regarding low-income housing and historical tax-credit transactions.

An assessment of Trinity Gardens’ potential for historic-preservation tax credits is underway. Without historic-preservation tax credits, it is unlikely that the property could merit enough Low-Income Housing Tax Credits (LIHTC) to fully rehabilitate it. If the assessment shows good potential for Trinity Gardens to receive historic tax credits, then the application process will move forward. That process will require that the Development Services Agreement for the project be negotiated. The developer would be Milestone Property Development LLC, managed by Tom Gorman. The contractor would be Chesapeake Community Advisors Inc. Both parties believe there would be sufficient tax-credit financing to rehabilitate the existing Trinity Gardens building while adding 20-25 new affordable-housing units on the land west of the current facility.

Once the agreement is final, there would be three opportunities to apply for the tax credits: January 2021 for an award by May; June 2021; and January 2022. If the application is unsuccessful, the developer and contractor will bear the upfront costs. If it goes through, the project is expected to produce enough annual revenue to pay for its own operations as well as some social services provided by Catholic Charities to residents.

Michael Milligan noted that the Development Services Agreement will assume it will be a “turnkey” project in which the developer and contractor assume all the risk of construction completion, tax-credit compliance and operating deficits in return for a higher percentage of the developer fee. He said all five notes on the existing Trinity Place project must be repaid or forgiven when the project is sold. This would require that Catholic Charities receive at least $1 million in the new deal.

After hearing the status report, the board considered a resolution to appoint Patrick Raglow and Michael Milligan as authorized agents to negotiate terms of the Development Services
Agreement between Chesapeake Community Advisors Inc., Milestone Property Development Company LLC, and Catholic Charities. The proposed resolution was Attachment 4 in the meeting packet. Michael Milligan noted the following:

- 3825 NW 19th Inc. currently owns Trinity Gardens and, therefore, is theoretically the only entity that can sell the property. However, the current draft of the agreement shows Catholic Charities as the owner. Cheryl Denney has advised that Catholic Charities may be listed temporarily as owner until the new partnership is formed, at which time the new partnership entity would be the stated owner in the agreement.
- As authorized representatives, neither Michael Milligan nor Patrick Raglow would act alone. The resolution clearly states that they will “make effort to confer on such decisions with each other and the Board as time allows, or to timely update the other individual and the Board as a whole on actions taken. This resolution presumes neither officer will act in a manner inconsistent with the intent of this Agreement nor of the proposed Trinity Gardens project.”

Father John Metzinger made a motion that the resolution to name Patrick J. Raglow and Michael J. Milligan as Authorized Representatives to negotiate the Trinity Gardens Development Services Agreement be approved as submitted. Jerry Krittenbrink seconded the motion and it was unanimously approved.

New Business

Patrick Raglow reported that Catholic Charities has received an insurance claim payment of $11,000 for a fleet minivan that was recently totaled in an accident. He proposed that the minivan be replaced with a much larger 15-passenger Ford Transit 350 Van. If the seats were removed, the transit van also could be used to transport items to set up apartments for newly arriving refugees.

He proposed using the $11,000 insurance payout along with about $43,000 from the Bush Trust to purchase the transit van. He noted that, although this capital expense is not budgeted, the Archdiocese of Oklahoma City has announced it would credit the $54,000 October insurance premium that Catholic Charities would normally pay. This unanticipated credit would offset the unbudgeted purchase. Before moving forward with the purchase, staff would confirm that such a van is insurable.

Noting that the Finance Committee agreed at its Sept. 22 meeting that the proposed van purchase would be a good expenditure, Michael Milligan made a motion that the board approve the purchase. Connie Burnett seconded the motion and it was unanimously approved.

Executive Director’s Report

Patrick Raglow reported the following:

- At the request of Bishop David Konderla of the Diocese of Tulsa, Catholic Charities of the Archdiocese of Oklahoma City has now assumed the role formerly carried out
by Catholic Charities of Eastern Oklahoma to provide adoption services in the Diocese of Tulsa, thus becoming the only Catholic adoption agency statewide.

- Steps are underway to reduce Lawton staff from three to one employee. Catholic Charities will exit the current office lease and services will be provided instead through an office at Villanova Apartments.
- Negotiations are underway for a third-party nonprofit to house its clients and provide services at Holy Family Home. Catholic Charities would maintain ownership of the property but would no longer operate the program there. However, the new occupant would give current Holy Family Home staff the opportunity to apply for positions under the new operation.

Patrick Raglow read aloud a thank-you letter from a homeless client who found recovery and permanent housing with help from the Sanctuary Women’s Development Center in Oklahoma City.

President’s Remarks

Ray Haefele thanked board members for their interest in the Trinity Gardens recapitalization and other projects that require extra time, decision-making and willingness to attend special meetings.

Chairman’s Remarks

Archbishop Paul Coakley had no additional comments.

The meeting adjourned at 1:20 p.m. with a closing prayer by Father Metzinger.

Ray Haefele, Board President

Date

12-3-20