

**Catholic Charities
Board of Directors
Minutes of the Meeting of May 28, 2020**

Members Attending: Most Reverend Paul S. Coakley, Chairman; Vi Le, President; Ray Haefele, Vice President; Mike Sterkel, Secretary-Treasurer; Bob Bates; Connie Burnett; Rhonda Carretero; Abe Castillo; Deacon Tony Crispo; Nick Dell’Osso; Jerry Krittenbrink; Michael Milligan; Kathy Williams

Members Absent: David Madigan; Reverend John Metzinger; Reverend Rick Stansberry

Others Present: Staff members Dave Ashton, Karen Kreger, Jane Moon, Monica Palmer, Patrick Raglow, Jessi Riesenber, Theresa Flannery

Pre-Meeting Presentation

At 11:45 a.m., before the meeting opened at noon, Patrick Raglow gave an overview of Catholic Charities’ comprehensive response to the COVID-19 pandemic. Safety precautions have been put in place at all locations and every program has continued without interruption throughout the shutdown.

Call to Order/Determination of Quorum

Vi Le call the meeting to order at noon and Archbishop Paul Coakley led the opening prayer. Members recited the mission statement. It was determined that a quorum was present.

Consent Agenda

The consent agenda included the board minutes of Feb. 27, April 3 and April 22, 2020. Michael Milligan made a motion that the Consent Agenda be approved. Deacon Tony Crispo seconded the motion and it was unanimously approved.

Committee Reports

Finance Committee

February-April Finance Report

The monthly financial summaries for February, March and April were included in the meeting packet as *Attachments 4-6*. Michael Milligan presented the more recent April summary, referring to the others as necessary. Discussion highlights are below:

- In April, Cash increased significantly due to the \$675,000 SBA Paycheck Protection Program (PPP) loan and \$175,000 in special funding for COVID-19 assistance.
- Quarterly investment results showed a decline of \$888,538 in market values. However, the current quarter, which is the final quarter of the fiscal year, is showing some recovery.
- The year-to-date Net Deficit was \$942,172, but this is mostly due to investment losses.

Jerry Krittenbrink made a motion to approve the February-April financial statements as presented. Connie Burnett seconded the motion and it was unanimously approved.

SBA Paycheck Protection Program Loan Overview

Michael Milligan referred board members to the PPP loan overview on *Attachment 7* of the meeting packet. It showed the loan principal of \$675,100 at a 1% interest rate with the first payment being due on Nov. 2, 2020. It also explained the terms for loan forgiveness, which staff expects to meet, and the timeline to apply for forgiveness. Effectively, the loan covers eight weeks of payroll expenses, freeing up money in the budget to use for important services. Board members commended staff for working in a timely and creative way to secure the PPP loan and other COVID-related funding that will help ensure no interruption in vital client services during the pandemic.

2020-21 Budget

Patrick Raglow noted that the agency has entered each of the last four years with a \$300,000-to-\$400,000 budgeted deficit, although each of these years ended with unbudgeted revenue, such as bequests, making up most of the deficit. The straight-line budget prepared for 2020-21 reflected a similar deficit, all things being equal year over year. However, several factors indicate that revenue will not necessarily remain steady in the coming fiscal year. These factors include a decline in the oil and gas sector of the economy; business closures and layoffs due to COVID-19 shutdowns; a drop in Green Tie Gala receipts due to new competing fundraisers in the community; and a potential across-the-board drop in donations to Archdiocesan organizations. If revisions are not made, the expected \$300,000-to-\$400,000 deficit combined with the anticipated revenue drop will create a larger budget deficit for 2020-21.

Senior staff is reviewing all options for bringing expenses down, including reducing or restructuring programs and services.

Members suggested that the Program Services Review (PSR) Committee, which is winding down its agency-wide review of all programs, might offer insight into appropriate next steps. PSR Committee Chair Ray Haefele said the committee has reviewed program efficiency, effectiveness and funding, but no program has so far shown evidence of overstaffing, waste of resources, duplication in the community, or deficient performance.

Staff will present a revised budget plan to the Finance Committee at a special meeting on June 9. All board members will be invited to attend that meeting by video-conference or telephone.

It was noted that the agency has begun to explore new ways to diversify its funding streams and this could become a focus area in the next strategic plan.

Development and Outreach (D&O) Committee

Jessi Riesenbergs reviewed the following highlights from the January-May D&O Report which was included as *Attachment 8* in the meeting packet:

- The 2019 Annual Appeal has exceeded its goal of \$2,700,000 and receipts will continue through the end of the fiscal year.
- 2020 Green Tie Gala revenue fell short of its \$455,000 goal, due in part to an increasing number of competing fundraisers among Oklahoma nonprofits. Ticket sales and corporate sponsorships declined in the midst of the economic downturn, especially in the oil and gas industry. Gala collections have slowed following the resignation of the staff member who directed the event. Her position has been restructured into two positions – a Director of Communications and a Special Events Manager – which will be partially funded by diverting the savings from the non-renewal of Catholic Charities’ contract with an outside public relations firm.
- A total of \$320,000 has been requested from several funding sources for COVID-19 relief. To date, \$301,457 has been received.
- D&O staff members have completed 2,465 fundraising and relationship-building actions (i.e., phone call, emails, notes, meetings, events) in the past five months. Their efforts have been fruitful in many ways, including a \$50,000 gift from Flourish OKC for COVID-19 relief.

Governance Committee

Election of 2020-22 Board Officers

Nick Dell’Osso made a motion that the board elect the following slate of officers as recommended by the Governance Committee for 2-year terms effective July 1, 2020, through June 30, 2022:

- President Ray Haefele
- Vice President Jerry Krittenbrink
- Secretary-Treasurer Michael Milligan

Rhonda Carretero seconded the motion and it was unanimously approved.

Recommendation of Maxwell Meier for Board Appointment

Connie Burnett reported that the Governance Committee recommends appointment of Enid resident Maxwell Meier to the board for a 3-year term effective July 1, 2020, through June 30, 2023. Deacon Tony Crispo, who has known Maxwell Meier for many years, noted that he is active in his parish as a lector, Extraordinary Minister of Holy Communion, and member of the Knights of Columbus. He is a funeral home director. He has agreed to serve if appointed.

Deacon Crispo made a motion that the board recommend the appointment of Maxwell Meier to a 3-year term. Ray Haefele seconded the motion and it was unanimously approved.

Approval of Catholic Charities Policy Manual

The Governance Committee presented the revised Policy Manual to the board for formal approval. Jerry Krittenbrink made a motion that the Policy Manual be approved as presented. Connie Burnett seconded the motion and it was unanimously approved.

Board and Committee Recruitment Update

Connie Burnett reported that the Governance Committee continues to identify and vet potential board and committee members. She encouraged all board members to recommend candidates by contacting her or another Governance Committee member.

Program Services Review (PSR) Ad Hoc Committee

Update on Board Action for Homeless Services

Patrick Raglow reminded the board of the PSR Committee's recommendation that an ad hoc committee or task force be appointed in the coming months to propose solutions for upgrading the facility at Sanctuary Women's Development Center in Oklahoma City. This item will be further explored after final approval of the 2020-21 budget.

Counseling and Immigration Legal Services Report/Recommendations

Patrick Raglow presented the PSR Committee's Report No. 2 which outlined preliminary recommendations for the St. Joseph's Counseling Program (SJC) and Immigration Legal Services (ILS). The report was *Attachment 10* in the meeting packet. It listed the following recommendations for SJC:

- SJC should be fully retained as a critical component of Catholic Charities' service profile. Having SJC strengthens service delivery outcomes across all program areas.
- Continue implementation (and promotion) of tele-counseling.
- Continue Prevention and Prevention-training emphasis.
- Aggressively pursue additional funding streams (e.g., Title 1 with Archdiocesan schools).

The report listed the following recommendations for ILS:

- Sustain ILS as a critical part of Catholic Charities' program offerings.
- Continually evaluate the fee structure to reduce demand on agency support while remaining affordable to those with the least means to pay.
- Continue to pursue additional funding streams (corporate, foundation, United Way). Explore new funding through federal agencies consistent with Catholic Charities' service profile.
- Explore growth opportunities through video connectivity or through community partnerships.

Family Support Services Report/Recommendations

Patrick Raglow also presented the PSR Committee's Report No. 3 which outlined preliminary recommendations for Family Support Services (FSS). The report was *Attachment 11* in the meeting packet. It listed the following recommendations for FSS:

- Sustain FSS, including Family HOPE case management, Emergency Assistance, walk-in services and Transitional Housing.
- Review Emergency Assistance services, taking lessons learned through the COVID-19 pandemic, and adjust to (a) meet greater needs, (b) seek greater staff efficiencies and (c) to explore whether there is opportunity or need to optimize target client population.
- Identify and quantify core services and align staff skills and talents specific to those areas. This includes defining the depth and breadth of services and ensuring activities and tasks are allocated appropriate time and talent.
- Assess time-use value of FSS staff external engagement activities (Homeless Alliance, DMV, DHS) and explore alternatives to accomplish.
- Update and align outcome measures to provide data that will continue to inform program design.

Sponsored Housing

Columbia Square/Villanova Apartments

Patrick Raglow reported that Villanova Apartments is operating smoothly and vacancies are being filled despite some delays caused by the COVID-19 shutdown. The property had a clean annual audit for 2019. Catholic Charities received a total surplus cash distribution of about \$40,000 from the Villanova project.

Villa Isenbart/Trinity Gardens

Michael Milligan offered to answer any questions the board may have regarding his Villa Isenbart/Trinity Gardens quarterly meeting report which was *Attachment 12* in the meeting packet. He noted that the report's final bullet point stated that a bill pending in the state legislature, if passed, could reduce affordable housing tax credits, thus rendering a potential recapitalization plan unfeasible for Trinity Gardens. However, he noted the bill was recently vetoed and this is beneficial to the plan.

Unfinished Business

Application for Historic Tax Credits to Recapitalize Trinity Gardens

The COVID-19 shutdown delayed the assessment to determine Trinity Gardens' potential for receiving historic-preservation tax credits for the purpose of rehabilitating the property. Therefore,

the application for historic status and the associated tax credits has been postponed from June to January.

Auditors' Determination Regarding Change in Trinity Audit Year

Patrick Raglow reported that staff has received confirmation from auditors that it can proceed with the plan to retain Trinity Gardens' December 31 fiscal year-end while changing its audit year-end to June 30 to bring it into alignment with Catholic Charities' audit year-end. There had been a question whether the change would create a conflict between the IRS Section 706 year-end rule for partnerships and the Section 42 year-end rule for tax-credit properties such as Trinity Gardens. However, auditors have determined that there is an exception in Section 706 for not-for-profit entities, so it would not prevail over Section 42 in this case.

New Business

Designation of Beltran Education Fund

St. Mary School in Lawton has announced it is closing this year. About eight years ago, the Beltran Education Fund was established, using a bequest from the Father Michael Hughes estate, to honor Archbishop Emeritus Eusebius Beltran upon his retirement. The board designated the fund to be used for scholarships awarded to residents of Villanova Apartments to attend St. Mary School. The fund is board-restricted; it is not an endowment. In April, its market value was about \$86,000, although the value recently declined sharply with the economic downturn. Now that the school is closing, the board will need to decide how the fund will be used. Patrick Raglow has consulted Archbishop Emeritus Beltran who said he had no specific preferences regarding the fund. The Finance Committee has opted to provide no formal recommendation.

Executive Director's Report

In addition to his written report that was included in the meeting packet as *Attachment 13*, Patrick Raglow announced that the Annual Mass, Meeting and Awards Presentation is set for August 27, at Catholic Charities in Oklahoma City. The event will be held at Catholic Charities this year instead of an Archdiocesan parish because of potential complications that might arise with COVID-19 restrictions. Traditionally, the day begins with a morning retreat, followed by the Annual Mass and Meeting, and then lunch. However, this year's itinerary will be reconfigured depending upon the COVID-19 precautions in effect at that time. He asked that all board members reserve the day to attend either in person or virtually.

President's Remarks

Vi Le had no further remarks except to encourage the board's participation in budget discussions during the next few weeks.

Chairman's Remarks

Archbishop Coakley shared his pride in how Catholic Charities so quickly and creatively adapted its operations to respond to the COVID-19 crisis. He said he was pleased to learn that the recent program services reviews found agency programs to be strong and effective. He closed the meeting with a blessing.

The meeting adjourned at 1:30 p.m.