

**Catholic Charities
Board of Directors
Minutes of the Meeting of February 27, 2020**

Members Attending: Most Reverend Paul S. Coakley, Chairman; Vi Le, President; Ray Haefele, Vice President; Bob Bates; Connie Burnett; Rhonda Carretero; Deacon Tony Crispo; Elliot Hartman, OU Board Fellow; Jerry Krittenbrink; David Madigan; Reverend John Metzinger; Michael Milligan; Reverend Rick Stansberry

Members Absent: Mike Sterkel, Secretary-Treasurer; Abe Castillo; Nick Dell’Osso; Kathy Williams

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

Call to Order/Determination of Quorum

The meeting was called 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 Dec. 5 and Dec. 10, 2019, and the Executive Committee minutes of Dec. 5, 2019, and Jan. 28, 2020. Michael Milligan made a motion that the following correction be made to the board minutes of Dec. 5, 2019:

On Page 5, in the second sentence of the paragraph under the heading *Villa Isenbart/Trinity Gardens*, insert the words “at Trinity Gardens,” so that the amended sentence reads: *He pointed out that occupancy challenges at Trinity Gardens have resulted in below-budget net income and that maintenance costs, including replacement expenses, are over budget by several thousand dollars.*

Connie Burnett seconded the motion and it was unanimously approved.

Michael Milligan moved to approve without changes the remaining three items on the consent agenda. Ray Haefele seconded the motion and it was unanimously approved.

Committee Reports

Finance Committee

November-January Finance Report

The monthly financial summaries for November, December and January were included in the meeting packet as *Attachments 5-7*. In Mike Sterkel’s absence, Michael Milligan presented the more recent January summary, referring to the others as necessary. Discussion highlights are below:

- Bequests included \$245,000 from the Burgess Trust and \$6,000 from the Shaapreld Trust.
- The Oklahoma Bar Foundation granted Catholic Charities \$25,000 for Immigration Legal Services.
- Annual Appeal collections now total \$2,506,978, which is \$156,978 over budget year to date. The goal for the entire year is \$2,700,000, so it appears the goal will be met or exceeded by the end of the year.
- Revenue and expenses for the refugee program continue to exceed budget.
- Quarterly investment income posted in January was much more favorable than expected. The trend is not expected to continue as strongly in the current quarter.
- Green Tie Gala sponsorships and ticket sales were less than expected this year.
- The Net Surplus was \$446,493 for the month of January and \$652,180 year to date. The chart on Page 4 of the summary outlined Adjustments for Unbudgeted Items (i.e., bequests) and the Impact of Unusual Variances (i.e., Refugee, Green Tie Gala, and Private Gifts). Unbudgeted bequests have nearly reversed the budgeted deficit so far this year.
- Total federal funding is now at \$344,000. If it reaches \$750,000 for the year, a Single Audit will be required in addition to the regular annual audit.

Audit Committee

BKD Audit Bid for 2020-22

Jerry Krittenbrink referred the board to the meeting packet's *Attachment 8*, which was the BKD bid to conduct the annual audit and prepare the IRS Form 990 for the next three years. He said he met earlier in the week with Patrick Raglow, Chad Moore of BKD, and Tom Gorman of Gorman Management which oversees Trinity Gardens. They discussed the added annual audit costs associated with the consolidated financial statements, as Trinity Gardens (3825 N.W. 19th Inc.) has a different accounting year-end from Catholic Charities. Although HUD tax-credit requirements prevent changing Trinity Gardens' Dec. 31 accounting year-end to match Catholic Charities' June 30 year-end, it is possible to change Trinity Gardens' audit year-end to June 30. This would allow BKD auditors to use the Trinity financial statements prepared by the firm that conducts the Trinity audit without added labor and extra expense to Catholic Charities. Initially, the other firm would conduct a six-month audit for January-June 2020 and provide those numbers to BKD for the 2019-20 Catholic Charities audit, and then going forward, both audits would be conducted on a July 1-June 30 audit year. The change would require a one-time extra audit expense for 3825 N.W. 19th Inc., but would save Catholic Charities about \$3,000 per year in the future. The proposal would reduce the audit portion of the bid shown on *Attachment 8* from \$35,000 to \$32,000 for 2020, from \$36,000 to \$33,000 for 2021, and from \$37,000 to \$34,000 for 2022.

Jerry Krittenbrink noted that the total dollar amount of the bid requires board approval. The Audit Committee decided not to seek bids from other firms at this time because Catholic Charities has built a strong working relationship with BKD over the past four years and the committee believed it would be beneficial to maintain that relationship as long as BKD's bid was in line with the fees BKD charged previously. He recommended the bid be approved with the \$3,000-per-year reduction due to the change in Trinity Garden's audit year. Patrick Raglow added that, because it is not a bylaw but board-approved policy that requires multiple bids on contracts over a certain amount, the board has the option to waive

the policy when it determines it is best to do so. He recommended that the board approve the bid without seeking additional bids.

Michael Milligan made a motion that the board approve the three-year BKD bid after a \$3,000-per-year reduction in the audit portion of the bid – from \$35,000 to \$32,000 for 2020, from \$36,000 to \$33,000 for 2021, and from \$37,000 to \$34,000 for 2022. Father John Metzinger seconded the motion and it was unanimously approved.

Development and Outreach (D&O) Committee

Patrick Raglow thanked Jessi Riesenber, the D&O staff and board members for the success of the 2019 Annual Appeal and 2020 Green Tie Gala fundraiser. Jessi Riesenber reported she expects final Green Tie proceeds to be about \$325,000, which is lower than recent-year proceeds but good considering the increasing number of competing fundraisers among Oklahoma nonprofits. Although this year's Green Tie fell short of the budgeted \$455,000, staff was able to reduce some expenses due to the lower number of guests attending. And, despite the Green Tie shortfall, it could be partially offset by Annual Appeal, grant and bequest revenue which is expected to exceed budgeted goals by year-end.

Approval of United Way of Central Oklahoma Application

Jessi Riesenber reviewed the United Way of Central Oklahoma funding application for a total of \$408,000 for the following programs: Holy Family Home, Family Support Services, Immigration Legal Services and Sanctuary Women's Development Center. The requested amount is the same requested last year, and the award will make up similar percentages of each program's budget as it did last year. Ray Haeferle made a motion to approve the application to United Way of Central Oklahoma as presented. Michael Milligan seconded the motion and it was unanimously approved.

Approval of United Way of Southwest Oklahoma Application

Jessi Riesenber reviewed the funding application to United Way of Southwest Oklahoma for \$25,000 in funding for the Family HOPE program in Catholic Charities' Lawton Office. Michael Milligan made a motion to approve the application to United Way of Southwest Oklahoma as presented. David Madigan seconded the motion and it was unanimously approved.

Update on United Way of Norman Application

Jessi Riesenber reported that staff is preparing an application to United Way of Norman for \$20,000 in funding for Sanctuary Women's Development Center in Norman. Formal board approval is not required for the application.

Approval of Priddy Foundation Grant Application

Jessi Riesenber reviewed the grant application to the Priddy Foundation in Wichita Falls for funding in the amount of \$20,500 for case management in the Lawton Office. This is Catholic Charities' third year to apply for this grant after receiving \$20,500 in each of the last two years. The grant includes a clawback provision requiring that the funding be returned if stated outcome

measures are not met. Michael Milligan made a motion to approve the Priddy Foundation grant application as presented. Deacon Tony Crispo seconded the motion and it was unanimously approved.

Governance Committee

Presentation of 2020-22 Slate of Officers

Connie Burnett presented the following proposed Slate of Officers for the board's consideration for election to 2-year terms effective July 1, 2020, to June 30, 2022:

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

All of the above were present at the meeting. Each agreed to accept the 2020-22 term if elected. No other nominations have been received. The formal election will be held at the regular board meeting on May 28.

Resignation of Board Member Tom Casso

Connie Burnett reported that Tom Casso has submitted a letter of resignation to the board due to scheduling conflicts and other obligations. She and Patrick Raglow praised his many years of faithful service to Catholic Charities.

Board Recruitment Update

Connie Burnett noted that Tom Casso's resignation and the upcoming departure on June 30 of board members Rhonda Carretero and Deacon Tony Crispo, whose third terms are expiring, will bring the total number of board members to 14. The Governance Committee is seeking candidates for board and/or committee membership effective July 1. She expects to provide further details and possible nominations at the May 28 board meeting.

Catholic Charities Policy Review

Connie Burnett presented the revised policy manual to the board for review and consideration. The table of contents was included as *Attachment 10* in the meeting packet. The physical manual was available to members at the meeting, and an electronic version is available to all members upon request. Members were invited to provide feedback to the Governance Committee. If members propose no further revisions before the May 28 meeting, the board will vote on approval of the manual at that meeting. After this initial approval, the board will review the policies annually to approve any new policies and policy revisions.

Patrick Raglow thanked the Governance Committee, and especially Connie Burnett, for developing the annual policy review/revision process and conducting the initial line-by-line review.

Performance Quality Improvement (PQI) Report

Dave Ashton presented the 2nd-Quarter 2019-20 PQI Report which was included as *Attachment 11* in the meeting packet. Highlights are as follows:

- All agency benchmarks were met except in transitioning clients from Emergency Rent or Utility Assistance (EA) to the Family HOPE long-term case management program. The EA-to-HOPE transition rate has been below benchmark throughout the year. The Program Services Review Committee is reviewing this outcome measure and will work with staff to develop recommendations regarding it.
- The aging buildings at Sanctuary Women’s Development Center in Oklahoma City (Sanctuary OKC) continue to pose safety and maintenance problems. This too is being explored by the Program Services Review Committee.
- Catholic Charities is still leasing the Guymon Office space, although services are currently suspended through that office following the office director’s resignation. The Program Services Review Committee is considering recommendations regarding new service models for the Guymon area.
- The Incident/Accident rate was below normal for the quarter.

Program Services Review Ad Hoc Committee

Regional Office and Homeless Services Reports

Patrick Raglow thanked the Program Services Review Committee chaired by Ray Haefele for its ongoing and diligent review of all agency programs. He distributed the committee’s report containing recommendations for the Regional Offices and Homeless Services and presented it in detail.

The report stated the following recommendations for Regional Offices:

- Emergency Assistance (EA) should be presented/evaluated on its own merit.
 - Presently we measure conversion from EA to Family HOPE.
- Enrollment metric for Family HOPE needs re-evaluation.
- Given the uniqueness of each regional site, each regional staff and each regional community, we should re-evaluate the metrics used for each.
 - Using same metrics results in a Task/Skillset/Metric mismatch
- Add specificity to regional support cultivation.
 - Board recruitment, volunteer opportunities, buy-in events are examples.
 - Each regional location should develop specific objectives for local support.
- Provide greater support to regional staff.
- Ensure a safe environment for service delivery and staff.
- Explore partnerships to deliver service.

The report stated the following recommendations and requests for board action for Homeless Services:

- Explore additional shared (i.e., “floater”) staff. (*Implemented)
- Explore agency-level volunteer management approach.
 - Client transportation, food pickup/sorting/distribution, training.
- Explore expanding Catholic Charities’ role in affordable housing.
 - **FOR BOARD ACTION:** Assign appropriate committee or task force to assess and then recommend structural changes needed for oversight of affordable housing activity.
 - Facility-based, tenant-based, tiered rent, etc.
 - Case management support of facility/project formal role
 - Link existing activity with potential funding streams (i.e., Shelter Plus Care – Norman)
- Explore (or Invite) adding behavioral health capacity to programs (collectively or site-specific).
- **Critical:** Sanctuary OKC facility is sub-standard and potentially unsafe.
 - **FOR BOARD ACTION:** Establish appropriate committee or task force to propose solutions.
 - Identify/recruit new members to committee/task force as required.
 - Assess alternatives (new site, relocation, rebuild).
 - Opportunity Zone (research tax-credit funding opportunity).
 - Transfer ownership from the Archdiocese to Catholic Charities.
 - Assess suitability of Mass Architects design.
 - Explore additional land acquisition in vicinity of Sanctuary OKC.

Patrick Raglow asked that the board give special consideration to the two items marked **FOR BOARD ACTION** in the above recommendations for Homeless Services. However, he said the committee would first formulate a more detailed proposal to present to the board for formal action in May.

Barring unforeseen delays, the Program Services Review is expected to be complete in mid-April and all recommendations might be complete in time for the May board meeting.

New Business

Permission to Engage CCUSA re: Annual Gathering 2023

Patrick Raglow reported that, unless the board objects, he will send a formal letter to Catholic Charities USA (CCUSA) proposing that Catholic Charities of the Archdiocese of Oklahoma City host the 2023 CCUSA Annual Gathering. He noted that, by 2023, construction of the Blessed Stanley Rother Shrine is expected to be complete along with several new Oklahoma City convention facilities and tourist attractions. Therefore, he believes the agency would have a good chance of being approved to host the Gathering. While the CCUSA national office manages most of the planning, the host agency must agree to provide about \$100,000 in funding for the event and must recruit volunteers to assist out-of-state guests. Patrick Raglow said he would seek underwriting for much of the expense. About 600 people generally attend the Gathering, representing about 100 Catholic Charities organizations nationwide. It is held annually in September or October. No board members expressed opposition to the plan.

Old Business

Potential Historic Designation and Recapitalization of Trinity Gardens

Michael Milligan reported that Tom Gorman of Gorman Management Co., which manages Trinity Gardens, has further researched the potential for using tax-credits for redevelopment of Trinity Gardens, including construction of a new building with additional units on the vacant land west of Trinity. The new building would be similar to the Villa Isenbart building east of Trinity.

In an update earlier in the day at a meeting of the Board of Directors of 3825 NW 19th Inc., which oversees Trinity Gardens, Tom Gorman said the project would be possible with a combination of historic-preservation tax credits and HUD funding. He told the 3825 NW 19th board that the project would have good potential to generate surplus cash while meeting the need for affordable housing in the community. At that meeting, the 3825 NW 19th board approved a motion to engage a consultant, at a cost up to \$2,000, to conduct an assessment of Trinity Gardens' potential for receiving historic-preservation tax credits for the purpose of rehabilitating the property. If the assessment indicates Trinity Gardens would be eligible for historic tax credits, the Catholic Charities board would have a special meeting in March to consider a development agreement before the tax-credit application is filed in June.

Executive Director's Report

Patrick Raglow introduced new Senior Director of Social Services Theresa Flannery who began work in January. In addition to his written report that was included in the meeting packet as *Attachment 12*, he announced the following:

- Staff continues to monitor ever-changing federal policies affecting refugee resettlement. In December, staff successfully secured letters from Governor Kevin Stitt and other local government leaders opting in to refugee resettlement in their jurisdictions. The letters were required by the Trump Administration under Executive Order 13888 before states and localities could continue accepting refugee arrivals. However, a Maryland lawsuit then led to a nationwide injunction against the order. Patrick Raglow has now written letters to the government officials, thanking them for their letters but advising them that the injunction currently allows resettlement to proceed as it did before – with or without consent. The federal government has filed an appeal in the case. Meanwhile, Catholic Charities settled 35 refugees arriving in December and four arriving in January.
- A cooperative grant agreement was executed in December with Oklahoma Emergency Management for FEMA funding to conduct disaster recovery for 2019 flooding across the state. About 800 households were affected throughout the Archdiocese of Oklahoma City. Two and a half staff positions have been added to assist the recovery.
- Catholic Charities of the Archdiocese of Oklahoma City is set to host the national CCUSA Board of Trustees meeting on April 23-24. Board members are invited to join them at a Mass to be celebrated in the St. Teresa of Calcutta Chapel in the Classen building. Details are pending.

President's Remarks

Vi Le had no further remarks.

Chairman's Remarks

Archbishop Coakley shared that he enjoyed attending Catholic Charities' February All-Staff Meeting at which he had the opportunity to visit with staff about the the Archdiocese, his own role as Archbishop, and his role at Catholic Relief Services and the United States Conference of Catholic Bishops Committee on Domestic Justice and Human Development. He said he appreciated the chance to personally tell Catholic Charities staff how pleased he is with their work and their close relationships with the Archdiocese.

The meeting adjourned at 1:30 p.m.