

Catholic Charities of the Archdiocese of Oklahoma City
Board of Directors Minutes
April 3, 2020
Electronic Meeting

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

Members Absent: None

The meeting was conducted by email. Executive Director Patrick Raglow sent board members the following request for action:

Attention: Catholic Charities Board of Directors

Pursuant to Article IV, Section 13, of the bylaws, the board will conduct an electronic meeting by means of this e-mail to vote on approval of the attached Small Business Administration Paycheck Protection Program loan application for Catholic Charities due to the COVID-19 pandemic.

BACKGROUND

The recently passed Coronavirus Aid, Relief and Economic Security (CARES) Act passed in late March includes a Small Business Administration Paycheck Protection Program loan for which Catholic Charities is eligible.

Paycheck Protection Program highlights:

- Eligible recipients may qualify for a loan up to \$10 million determined by two months of prior average payroll plus an additional 25% of that amount.
- No fees will be charged by the SBA or MidFirst.
- Loan payments will be deferred for six months.
- Loans will have a fixed interest rate of 0.50%.
- No collateral or personal guarantee will be required.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll and certain other expenses following loan origination.

Loan proceeds can be utilized to cover payroll costs (including benefits), interest on mortgage loans obtained before February 15, 2020; rent under lease agreements in place as of February 15, 2020; and utilities for services in place as of February 15, 2020. Loan amounts can be for up to two months of average monthly payroll costs from the last year plus an additional 25% of that amount, subject to a \$10 million cap. Eligible payroll costs will be capped at \$100,000 annualized for each employee.

Loan amounts may be forgiven as long as the loan proceeds are used to cover payroll costs and eligible mortgage interest, rent and utilities, and employee compensation

levels are maintained or employees are re-hired quickly.

Earlier communication with the Board highlighted potential concerns with accepting these dollars if approved for the loan. Catholic Charities could forego these dollars as our payroll is not *immediately* threatened. However, I think we'd be remiss if we did not apply as we cannot forecast how long this economic disruption will last. Using these dollars to assist with payroll over the forgivable loan period would then give the agency increased flexibility to meet the anticipated surge in client emergency assistance needs and ensure the agency's economic viability.

Catholic Charities is a separate corporate entity and simultaneously part of the larger Archdiocese. This application submission is as a separate corporate entity.

Potential risks as to religious freedom/Catholic identity were raised; as hoped for, additional language was added to the SBA Paycheck Protection Program to help affirm religious freedom protections for agencies such as ours.

Attached please find the (1) corporate resolution authorizing Catholic Charities; (2) proposed application (an electronic version will actually be used); (3) the proposed cover letter and addendum to accompany the application.

The loan will be submitted through MidFirst Bank.

REQUESTED

Please **Reply-All** to this email with your vote – Aye, Nay or Abstain as soon as possible **today, Friday April 3, 2020**, and we will proceed as soon as a quorum is achieved.

The board voted unanimously to approve the “Corporate Resolution to Approve the COVID-19 Small Business Administration Payroll Protection Loan Application and Name Executive Director Patrick J. Raglow as Authorized Representative.”