

**ST. PAUL OF THE CROSS PASSIONIST RETREAT
AND CONFERENCE CENTER**



Minutes for April 8, 2019 Board Meeting

Attending:

Chuck Anway
Sandra Arnould
Pat Brennan
Fr. Pat Brennan
Roger Frank
Patty Gillis
Matt Greenough
Kari Klinski

Cindy Lafond
Sue Macdonald
Jim McKelvey
Faith Offman
Fr. Phil Paxton
Bob Salter
Neil Sobeck
Greg Soule
Toby Tabaczynski
Dennis Wagener

Regrets: John Bodary

1. Patty called the **meeting to order** at 6:40 pm.

2. **Consent Agenda:** December 10 incorrect date for December 2018 BOD meeting-secretary will change the minutes to reflect the correct date of Monday December 9, 2019 for the board meeting date.

February 11, 2019 minutes - any corrections? None noted.

Board affairs committee minutes and Finance Committee minutes not yet approved by their committees- suspend reading until the committees meet again and approve them.

Motion

Jim M. moved that the Board of Directors approve the Board minutes from February 11, 2019 as presented.

Pat B seconded the motion.

The motion passed unanimously.

Patty noted that, at any time an item can be taken out of the consent agenda and brought up for discussion. At some point in the future, the Monitoring Reports may be part of the Consent Agenda.

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3. Board Input to Holy Cross Visioning for Chapter in June 2019

Patty reviewed the slides prepared by Elizabeth Velarde for BOD input:

Linking with owners, writing policy, monitoring policy- - the three main jobs of board members.

What are the trends in church and society, AKA the “signs of the times”?

Working groups as part of Visioning Commission leading to Provincial Chapter in June, 2019

Board members then discussed in small groups two questions, and the feedback will be sent to the Visioning Commission for inclusion in the June Chapter.

4. Monitoring Overview:

Executive Limitations policies and **Ends** policies monitoring require information from the CEO.

Board Executive Linkage is reported on by the Board Chair and reports annually or more often as needed.

Governance Policies are monitored by the Board Affairs committee and reported to the full board throughout the year.

Steps for the CEO in writing a monitoring report:

Step 1: Restate the policy

Step 2: State the reasonable interpretation of the policy, (may include defining words in the policy). State why this interpretation is reasonable.

Step 3: State what compliance looks like (observable condition).

Step 4: Provide evidence of achievement and compliance. Format: observable condition with data.

Step 5: Report of compliance or steps moving toward compliance.

The report is submitted to the Board in advance of their meeting, and members review the report ahead of the meeting. If more data is needed or if there are any other questions, the CEO will address it at the next meeting. If policy needs to be revised, that can be passed by the Board at any Board meeting.

April 8, 2019 Ends and Executive Limitations Monitoring

ENDS 5

5. Responding to the passion of Earth, St. Paul of the Cross Passionist Retreat and Conference Center embraces principles of integral ecology.

Reasonable interpretation: We understand our Earth continues to be harmed through pollution, waste and misuse of our natural resources. All things are connected and it is our responsibility to do our part in safeguarding our “common home.”

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“Integral ecology begins with the recognition that humanity now faces existential crises on multiple fronts: extreme economic disparity, increased competition for resources including land and water, a severely degraded natural world, failing nation states, and a climate on the verge of spinning out of control.

The ‘integral’ in integral ecology is what’s new. It realizes that these crises are not independent, but closely intertwined.”

Compliance to this policy is to keep in mind this perspective when considering purchases/spending for the retreat center as well as day to day habits. As it is feasible and practical within the means of the retreat center we will look for ways to conserve natural resources and be good stewards. This summer when faced with a crisis in our parking lot, we considered pervious pavement options knowing the water run off would be less and more helpful for the city drainage issue. When looking at a small portion of our parking lot, the estimate was two million dollars. While it was not feasible at this time, we keep those types of options on the table each day. This fiscal year we installed new high efficiency boilers, continued converting from florescent and incandescent bulbs to LED and changed sourcing for our disposable cups with lids. We continue to recycle and encourage others to do so, we installed a rain garden in collaboration with the Friends of the Rouge to reduce drainage and runoff from our roof. We are working with the National Wildlife Federation in their sacred grounds program which provides concrete tools for increasing native plant habitats and gardens to combat the pollinator decline and nutrient runoff. We’ve planted trees to replace any harmed in the storms and continue to look for ways to conserve our resources. Below is a chart of the usage for natural gas and electricity for a few select months the past three years. This shows the impact of the higher efficiency purchases. We are in compliance with this policy.

<u>Gas</u>	2016		2017		2018
	CCF's				
Oct - Nov	2887		9006		3426
Nov-Dec	5181		6167		4695
Dec-Jan	8022		6653		4518
Jan-Feb	6834		7448		4648
<u>Electricity</u>	KWH				
Sept	24000		21760		19040
Oct	21440		20320		16800
Nov	22080		21280		17920
Dec	22080		23840		18400
1 CCF = 102,000 BTU's					

Discussion:

A few Board members disagreed with one statement in the reasonable interpretation, and Sandra agreed to revise it for the next time that this policy would be monitored. Patty asked Fr. Pat if

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integral ecology was also expressed through the ministry, and Fr. Pat and Faith responded about the display about Catholic Climate Covenant in the hallway, and the inclusion of Catholic Social Teaching in the retreats. Patty asked that, in the future, anything related to ministry also be included in the monitoring report for Ends Policy #5.

Executive Limitations: 7, 8, 9, 10, 11

EL 7 - FINANCIAL PLANNING/BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's ENDS policies, risk fiscal jeopardy, *or fail to be derived from a multi-year plan*. Accordingly, the Director of Mission and Ministry shall not allow budgeting which:

1. Fails to include a credible projection of revenues and expenses; separation of capital, restricted, and operational items; cash flow; and disclosure of planning assumptions;
2. Approval Levels for non-budgeted or items materially exceeding budget:
Under \$10,000 Director of Mission and Ministry
Over \$10,000 Director of Mission and Ministry + Finance / Audit committee
Over \$100,000 Director of Mission and Ministry + Treasurer

Reasonable interpretation of this policy: Create capital and operating budgets that are realistic and adhered to throughout the fiscal year. Forecast cash flow and adjust it throughout the year using it as a tool for financial decision making. Just because we have a line item in a budget does not mean we have the funds to make it happen. Also, to follow the guidelines for approvals for any non-budgeted items materially exceeding the budget.

Compliance to this policy would be evidenced by a well thought out and justifiable budget reviewed by the Finance and Audit committee and approved by the Provincial Council. Also any material deviation from the budget being noted and discussed in meetings with the Finance and Audit committee to promote transparency. Having the appropriate documentation for any non-budgeted material expense.

Question – in regard to this phrase *or fail to be derived from a multi-year plan*, it was not the case in the past and we need to know what is the expectation?

To this end:

We are in the midst of our budgeting process for fiscal 2019/2020. We meet with all departments to get their input in order to have a good estimate of needs and expectations. We have used this same process the past three years and have been in line (or better) with our budget each of those years. When we have had large unbudgeted items we have informed the treasurer to be sure he is aware of the issue and reason. This fiscal year we had a sink hole open in the parking lot and our treasurer was promptly made aware of the issue and risk. By the graciousness of a very generous benefactor the sink hole was explored and repaired. Had this not been the case, we would have needed to get approval to remove money from our funds on deposit (reserve). All restricted donations are accounted for in accordance with appropriate guidelines. Our statement of cash flow is reviewed regularly by our Administrator as well as the Finance and Audit committee.

We are in compliance with this policy.

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Discussion:

The Board made the distinction between a multi-year plan, and a multi-year budget. We are not as of yet doing multi year budgets, but we are doing multi-year planning. We agreed to change the language in EL 7 to “multi year capital improvement plan” Kari made the motion for the change in language, and Matt seconded. Passed unanimously.

EL 8 - FINANCIAL CONDITIONS AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, the Director of Mission and Ministry shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the budget. Accordingly he/she shall not:

1. Acquire, encumber, or dispose of real property;
2. Use any restricted funds for any other purpose than that designated by the donor(s);
3. Fail to provide for the Board of Directors an annual external Audited Financial Statement or Review.
4. Fail to provide programming in line with our Mission

Reasonable interpretation of this policy: We are not to sell or acquire land or buildings, use any restricted funds differently than requested. We are to have an audit or review and be sure all programming fits within our Mission. We also shall not cause material deviation from our budget and if it should occur we follow the guidelines in the Policy Handbook. Compliance to this policy is evidenced by our financial statements presented to the Audit and Finance committee and to the Province regularly. Compliance is also achieved through an audit or review.

To this end:

- There is no negative material deviation of actual expenditures from the budget.
- We have not acquired or disposed of any real property.
- Gordon Advisors completed our audit and have presented a letter stating there are no material concerns.
- All restricted funds are utilized in accord with the donor’s specifications. The Finance and Audit committee review and inspect detailed financial records regularly.
- Hosted groups and Passionist programming are in line with our Mission.

We are in compliance with this policy.

EL 9 - ASSET PROTECTION

The Director of Mission and Ministry shall not allow corporate assets to be unprotected, inadequately maintained, or exposed to unnecessary risk. Accordingly, the Director of Mission and Ministry shall not fail to:

1. Ensure against theft and property losses up to 100% replacement value (if reasonably available) and against liability losses of the board members, staff, and the organization in regard to normal center activities up to

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the maximum available offered by the Christian Brothers Risk Pooling Trust or other Province approved insurance company;

2. Maintain the Center's physical facilities, grounds, and equipment in a safe, functional, sustainable and aesthetically pleasing condition;
3. Maintain a Reserve Study detailing the service life and replacement cost of all facilities and equipment;
4. Unnecessarily expose the organization, the board, or staff to claims of liability;
5. Protect intellectual property, records, files (including but not limited to Board meeting minutes, leases, contracts and other records as required by law), or computer based information systems from loss or significant damage;
6. Hold local operating cash funds in insecure instruments, including uninsured checking, savings, or certificate accounts at any time or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions;
7. Handle investments in accordance with Holy Cross Province's Investment Policy
8. Make reasonable efforts to assure that the terms of the lease of property from the SPC Community be secured and in the long-term interest of the Center.

Reasonable interpretation of this policy: Maintain our insurance policies and review them periodically. Maintain the physical space, number 3 we have a proposed change. Number 4 we would like some clarification, while we would not intentionally expose the organization to liability, what would be an example of exposing the staff to liability? Also proposed wording changes suggested:

#4 – remove unnecessarily or change the premise of '*shall not fail to*' this also pertains to # 6 it should be re-stated as we do not want to hold funds in insecure instruments. So perhaps break these two out as *shall not* rather than *shall not fail to*.

Keep our important files safe and protect our critical operational data. Hold our cash in secure instruments and handle all our investments in accord with the Provincial policy. Renew our lease as it comes due.

Compliance is evidenced by our insurance policy being current and accurate. Having our physical center's appearance as evidence of being well cared for by our team and having a plan for proper care and maintenance. Engaging a company periodically to assess the service life of larger valued items. Protect records and files appropriately and have a process for timely destruction of antiquated records. Do not invest outside of our policies and maintain only the current bank accounts. Review the lease with the Provincial Council and negotiate its terms of renewal within 90 days of expiration.

To this end:

We reviewed all insurance schedules with Christian Brothers in October of 2018 and we added D&O insurance to our policy in the fall of 2015 with a \$1,000,000 limit in place. Our facility supervisor and team maintain the facility in a safe and functional manner and follow maintenance routines for equipment. We also have a contract with our primary HVAC company to do regular maintenance for the heating and cooling systems. We have a benefactor who provides some lawn services during the spring and summer months to keep the grounds groomed. We had a study of our HVAC systems in 2016. The replacement cost of equipment changes annually and in our opinion spending 15-20k on a study rather than replacing the worn out equipment does not always seem practical. For larger items with longer life expectancies it makes sense. We have not and would not intentionally expose the organization to liability. We maintain documents according to our document retention policy. We back up our server locally our email, payroll and accounting systems are hosted off site and we do not store any credit card data. Our operating funds are located in Chicago and deposits are made directly to that account with check 21 (auto deposit capture). The only accounts in Detroit are for cash funds which are

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then transferred to the Chicago account consistently. Our investments are with the Province and follow their guidelines. We have added to our reserve fund each year for the past three and presently have 800k on reserve. Our lease had expired and was renegotiated in the fall of 2015 and expires in July 2020.

We are in compliance with these policies

Discussion: Kari K moved and Chuck A. seconded to move #4 and #6 as below. Passed unanimously.

Pat B moved and Jim M. seconded that we change from "all" to "significant in number #3, as below. Passed unanimously.

1. Ensure against theft and property losses up to 100% replacement value (if reasonably available) and against liability losses of the board members, staff, and the organization in regard to normal center activities up to the maximum available offered by the Christian Brothers Risk Pooling Trust or other Province approved insurance company;
2. Maintain the Center's physical facilities, grounds, and equipment in a safe, functional, sustainable and aesthetically pleasing condition;
3. Maintain a Reserve Study detailing the service life and replacement cost of significant facilities and equipment;
4. Protect intellectual property, records, files (including but not limited to Board meeting minutes, leases, contracts and other records as required by law), or computer based information systems from loss or significant damage;
5. Handle investments in accordance with Holy Cross Province's Investment Policy
6. Make reasonable efforts to assure that the terms of the lease of property from the SPC Community be secured and in the long-term interest of the Center.

And shall not:

7. Unnecessarily expose the organization, the board, or staff to claims of liability;
8. Hold local operating cash funds in insecure instruments, including uninsured checking, savings, or certificate accounts at any time or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions;

EL 10 - FUND RAISING AND DEVELOPMENT

With respect to the acquisition and allocation of funds received through fund raising activities or the Mission Advancement program, the Director of Mission and Ministry shall not cause or allow conditions, actions, procedures, or decisions that are imprudent, illegal, and violate professional standards, ethical values, or relevant stewardship responsibilities. In addition, the Director of Mission and Ministry shall not fail to:

1. Develop a fund raising and development program for the Retreat Center's current capital needs
2. Ensure all gifts comply with the Provincial and Retreat Center Gift Acceptance Policy
3. Maintain compliance with National Catholic Development Conference guidelines

Reasonable interpretation of this policy: To have a plan for fundraising, be sure all gifts are in accord with the Provincial policy and to be aware of the NCDC guidelines so we can achieve compliance.

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To this end: We are in the midst of two programs for raising money this year and next. We have a plan for an event next year and are looking at plans for either the 300th anniversary of the formation of the Congregation of the Passion or the 60th anniversary of the retreat center. All our gifts are received through our director of mission advancement and we comply with the gift acceptance policies. We follow the code of stewardship and ethics as outlined by the NCDC. We are in compliance with this policy.

Discussion: Take out "current capital" out of #1, to be more inclusive: "Develop a fund raising and development program for the Retreat Center's needs". Motion made by Greg S. and seconded by Fr. Phil. Unanimously passed.

EL 11 - COMMUNICATION AND SUPPORT TO THE BOARD

The Director of Mission and Ministry shall not permit the board to be uninformed or unsupported in its work. Accordingly, the Director of Mission and Ministry shall not:

1. Neglect to submit monitoring data required by the board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion;
2. Let the board be uninformed of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which board policy has previously been established;
3. Fail to advise the board if the board is not in compliance with its own policies on Governance Process and Board-Executive Linkage, particularly as it relates to board behavior which is detrimental to the work relationship between the board and the Executive;
4. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.

Reasonable interpretation of this policy: We will not let the board be uninformed of material changes, trends or changes in assumptions. We will report according to the pre-set monitoring schedule and add areas as needed to keep the board informed of any noncompliance. Compliance to this policy will be through the monitoring reports, to acknowledge and inform the board of any material changes in assumptions and also if the BEL policies are out of compliance.

To this end:

- We are preparing monitoring reports following the provided schedule and following up with any changes if needed. We will provide data as evidence of compliance or some form of communication of achievement where metrics may not be relevant.
- There are currently no material changes in trends and no issues causing adverse media coverage. We are maintaining a 3% increase in retreat attendance over last year.
- At this time there are no issues with the Board over-stepping or hindering our performance. The committees are working independently of management where needed.
- We do not have any anticipated noncompliance with the current executive limitation or ends policies. The policies are reviewed periodically to see how we are going to provide evidence of accomplishment. This review helps to proactively look for any anticipated noncompliance.

We are presently in compliance with this policy

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5. Board Officers for 2019-2021. The following Board members volunteered:
Toby T—Chair
Cindy L – Vice Chair
Kari K- Secretary
Greg S- Treasurer
An election will be held at the June 22nd Board meeting.
6. Round Robin—Chuck reminded everyone that the Golf Outing is July 24th, and he asked for the Board’s support. Patty stated that she would ask the incoming Board officers to plan with her the Board retreat day on Saturday, June 22nd.
7. Fr. Pat offered a closing prayer.
8. The meeting was adjourned at 8:32 PM.

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