

**Mater Dolorosa Passionist Retreat Center
Meeting of the Board of Directors
April 17, 2018**

Retreat Director's Monitoring Report

Introduction

I CERTIFY THAT THE FOLLOWING INFORMATION IS TRUE AND CORRECT AS OF 12 APRIL, 2019.

This is the fourth Board meeting in FY 2019 and represents the continued development and use of the *Policy Governance Model* for the governance of the retreat center. According to this new model, the Retreat Director's monitoring report to the Board is to be based on a selection of the policies that have been designed to govern the retreat center. Therefore, this report will be formed around the following selected Executive Limitations policies, all the Ends, Governance Process and Board-CEO Linkage policies:

EXECUTIVE LIMITATION POLICIES

EL 2: Relationships with the Archdiocese of Los Angeles and Holy Cross Province

EL 3: Public Relations

EL 8: Financial Conditions and Activities

EL 9: Asset Protection

EL 10: Fund Raising and Development Policy

EL 11: Communication and Support to the Board

EL 2: Relationships with the Congregation of the Passion, Holy Cross Province and the Archdiocese of Los Angeles

At this moment the Retreat Center's identity and character as a Passionist Retreat Center is strong and has never been challenged or criticized. We teach in full accord with the Roman Catholic Church, the spirituality of St. Paul of the Cross and are consistent in preaching the Passion of Jesus Christ.

Our mission is in full accord with Holy Cross Province as described in our Articles of Incorporation, the Bylaws, and all applicable laws.

There are currently five Passionist Religious, one brother and four priests, living and ministering in the Retreat Center.

We also have an excellent relationship with the Archdiocese of Los Angeles and the local parishes we serve. We are reviewed each year by the leadership of Holy Cross Province and are regularly affirmed in our fidelity to our mission. We also keep the Chairman of the Board of Directors fully informed of any important concerns.

We also continue to remain in contact with the activities of our local deanery, with most of the community and Retreat Center Director attending and actively participating in the local deanery monthly meetings.

At the time of writing, Fr. Joe Moons is visiting the Mater Dolorosa community and center for his annual meeting, ensuring our compliance in these matters.

WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THIS POLICY.

EL 3: Public Relations

The public reputation of the retreat center is for the most part very positive. As mentioned in an earlier report in October 2019, an exception to this is our effort to develop the twenty acres that are the entrance to the retreat center property. There is a small but very strong and vocal group in the city of Sierra Madre that fiercely opposes any development of that property. In conjunction with the Provincial Offices in Chicago and local representation on our Property Committee, we continue to make progress in finding ways to monetize and utilize the development potential of the Center's undeveloped property resources.

One other factor which has affected public relations is the continued barrage of criticism leveled at the Church regarding its policies and reputation in the sexual abuse scandal. This has been amplified by our the need to disclose the accusations regarding one of our own vowed members, Fr. Arthur Carrillo, a Passionist priest and prior Retreat Director at MDPRC.

An extensive level of outreach was made to transparently communicate the status of the accusation, to staff, BOD members, retreatants and those associated with the center. This amounted to more than seven thousand emails and letters being sent. The news was received with sadness for the most part, with some expressing shock, concern, and compassion. To this date, we have not had any contact with the Press from the Retreat Center directly, but have had many conversations with those who have received the news. We continue to remain diligent and transparent on any developments as they occur. We are guided by Church and Provincial rules of disclosure and have been fully compliant in our communications.

Our public reputation in the Archdiocese, the Dioceses of Orange, San Bernardino and San Diego is excellent. Our reputation with retreatants and guests to Mater Dolorosa is remains strong as indicated by the weekend retreat evaluations and our social media (Google and Facebook) ratings.

WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THIS POLICY.

EL 8: Financial Conditions and Activities

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the budget.

Accordingly, the CEO shall not:

a) expend more funds than have been received in the fiscal year to date unless board authorized guidelines are met;

- b) use any long-term reserves for current operations, special projects or debt retirement without obtaining prior board approval;*
- c) acquire, encumber or dispose of real property without prior authorization of the board;*
- d) dispose of religious art or icons without prior authorization of the board;*
- e) use any restricted funds for any other purpose than that designated by the donor(s);*
- f) fail to provide for the Board of Directors an annual external Audited Financial Statement by a board-approved CPA firm;*
- g) fail to provide appropriate internal financial controls.*

CEO Interpretation

I interpret this policy to direct and specify the standards (a-g) to be maintained in the financial management of the retreat center.

CEO Response:

I report that we are in compliance with this Executive Limitation Policy as follows:

- a) We have not expended more funds than have been received in the fiscal year to date.
 - At the end of Quarter 2, we had \$1,249,000 in revenues and \$1,208,000 in expenses, which is a difference of \$42,000. Quarter 3 accounts are in the process of being reconciled.
- b) We have not used any long-term reserves for current operations, special projects or debt retirement without obtaining prior board approval;
- c) We have not acquired, encumbered or disposed of real property.
- d) We have not disposed of religious art or icons.
- e) We have not used any restricted funds for any other purpose than that designated by the donor(s).
- f) We have not failed to provide for the Board of Directors an annual external Audited Financial Statement by a board-approved CPA firm.
- g) We have maintained all appropriate internal financial controls in the work of the retreat center.

EL.9: Asset Protection

The CEO shall not allow corporate assets to be unprotected, inadequately maintained or exposed to unnecessary risk.

Accordingly, the CEO shall not:

- a) fail to insure against theft and property losses up to 100% replacement value (if commercially reasonably available) and against liability losses of the board members, staff, and the organization from normal Retreat Center activities, up to the maximum available offered by the Christian Brothers Risk Pooling Trust or other Board approved insurance company;***

- b) fail to maintain the Retreat Center's physical facilities, grounds, and equipment in a safe, functional and aesthetically pleasing condition;*
- c) fail to maintain a Reserve Study detailing the service life and replacement cost of all facilities and equipment;*
- d) unnecessarily expose the organization, the board or staff to claims of liability;*
- e) fail to protect intellectual property, records, files or computer based information systems from loss or significant damage;*
- f) 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;*
- g) fail to handle investments in accordance with Holy Cross Province's Retreat Center Investing Policy;*
- h) fail to make reasonable efforts to assure that the terms of the lease of property from The Congregation of the Passion Mater Dolorosa Community be secured and in the long-term interest of the Retreat Center.*

CEO Interpretation

I interpret this policy to direct and specify the standards (a-h) to be maintained in the management of the retreat center.

CEO Report

Mater Dolorosa continues to be fully insured. An onsite reserve study was completed on May 21, 2018. The report is valid through June 2019. This report is used to plan Capital Projects. Much of the formal decision making and review is managed through the Building and Grounds Committee which meets regularly. To the extent possible, projects to address items with zero life remaining, are the priority.

For example, last year, folding rectangular and round tables were replaced in line with the reserve study report. While replacement of the compressor of the walk-in refrigerator was on the report, Health Department Inspection required a complete rebuild which shifted our Capital Projects priority. We are replacing chairs in all guest rooms after an extensive review and testing. The Retreat Center is in compliance with (a-h) of this policy.

WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THIS POLICY.

EL 10: Fund Raising and Development Policy

With respect to the acquisition and allocation of funds received through fund raising activities or the development program, the CEO shall not cause or allow conditions,

actions, procedures, or decisions that are imprudent, illegal, or violate professional standards, ethical values or relevant stewardship responsibilities.

In addition, the CEO shall not fail to:

- a) develop a fund raising and development program for the retreat center's current and capital needs;*
- b) achieve or exceed the fund raising and development goals, as established in the current year's operational and capital budget and in the retreat center's long-term fund raising and development plan.*

CEO Interpretation:

This policy directs the CEO to be a good and careful steward of the resources of the retreat center and to oversee ongoing efforts to develop sufficient financial resources to assure the continuance of the mission of the retreat center.

CEO Response:

Development and Fundraising Activities for the current fiscal year to date include the following:

2018 Harvest on the Hill - Saturday, October 20, 2018

Final numbers for Harvest on the Hill:

Gross Revenue: \$115,622.00
Less Expenses: \$ 23,130.00
Net Revenue: \$ 92,492.00

Kate Kenney and Jennifer Gowen have enthusiastically committed to chairing our 16th Annual Harvest on the Hill. This will be Kate's fifth year as co-chair and Jennifer's second year as co-chair. Harvest on the Hill will take place on Saturday, October 19, 2019. The theme is Oktoberfest.

2018 Year End Appeal

This was the fourth year for our year-end appeal. Total revenue increased by \$950.00 over last year. We will continue to offer this donor opportunity.

Gross Revenue:	\$32,949.00
Less Expenses:	\$ 6,683.00 (Outsource printing and mailing services plus postage)
Net Revenue:	\$26,265.00
Households Mailed to:	9,998
# of gifts:	270
Average Gift:	\$122.00

2019 Lenten Prayer Appeal

This is the fourth year for our Lenten Prayer Appeal. This appeal was never intended to be a full-blown fundraiser, but an opportunity to reach out to our Mater Dolorosa family requesting prayer intentions from them with the idea of praying for each other during this special season of Lent.

Our Lenten Prayer Appeal was mailed to 9,933 households. Revenue as of 4/5/19 is \$5,301.00. We are receiving donations and prayer requests daily and will report on the outcome at our next board meeting.

Stewardship Events

Special Friends & Benefactors Mass & Luncheon – This annual event took place on Sunday, March 10, 2019. 159 invitations were mailed. Total reservations were 59. The final number of guests at the luncheon was 48 which included 6 cancellations; 5 no shows; 2 add-ons without making a reservation; and 2 for Mass only. It was a very nice event. Full of fellowship and spiritual friendship. Many thanks to everyone for what they do!

All Donor Mass & Luncheon – This annual event is scheduled for Sunday, July 21, 2019.

2019 Golf Tournament – Monday, May 20, 2019 – Glendora Country Club

Michele Coudures and Larry Marquette have graciously volunteered as our co-chairs and are actively seeking golfers and sponsors for the golf tournament. We have a team of five volunteers (Dale Edgington, Filippo Fanara, Jim Kenney, Casey Quinn and Marshall Rose) who have called past golfers. Kristin Yanish and Kerri Law are working on procurement of silent and vocal auction items. A helicopter golf ball drop has been added to the festivities. If you are not a golfer, please consider a golf sponsorship, tee sponsor, underwriting donation, opportunity drawing purchase or golf ball drop participation.



Evenings at the Monastery – Retreat Ministry & Development Collaboration

This series of speakers and performances will take place this summer. The fee to attend has been kept low (\$35 per ticket) to encourage attendance. The fee includes a light supper. The events will be held in our outdoor amphitheater and begin at 6:30 and end between 8:30 and 9:00 PM. If successful, we will adapt the fee structure for the summer of 2020. In addition, the series may be extended to more speakers and performances. We are currently seeking sponsors for each of these events. Please let us know if you or someone you know would be interested as a sponsor.

Please see the schedule below and your handout for additional information. Registration can be made online at www.materdolorosa.org under Events.

Saturday, June 22nd - An Evening with Doug Hertler – “Merton & Me – a Living Trinity” a one-man show

Thursday, August 8th – An Evening with Áine Minogue – world-famous Irish Harpist, Singer & Composer

Thursday, August 15th – An Evening with Marty Brounstein – CA-based author will talk on his book “Two Among the righteous Few: A Story of Courage in the Holocaust”.

Thursday, August 22nd – An Evening with Fr. Michael Fish

TBD – Dr. Michael Downey Series

Staffing for Development Office

Grace Hurd has been hired to assist with Development Office administrative work and Retreat Ministry thank you letters. She is scheduled 24 hours per week.

WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THIS POLICY.

EL 11: Communication and Support to the Board

The Board of Directors is currently fully informed about the activities of the Retreat Center. As there have been management and role changes at the Center, including myself, and at the Board level, I have attempted to stay in close contact with all in preparation for these meetings and ensure the information required will be communicated in a timely fashion in accordance with Governance Policy. To date we have not received any negative feedback that the management team has been unresponsive to the requirements of the Board. The Development Office provides fundraising events and donor events information and dates to our Board Chair for inclusion in the Board calendar of events.

There has been extensive review and communication of the application of Board Committees activities to bring us more rapidly into compliance with best practices in the Policy Governance model. This continues to be refined in a year of transition, and will likely continue to do so during the coming Financial year.

WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THIS POLICY.

ENDS POLICIES

ENDS.1b: Responsive to the Signs of the Times

Retreat center programming will be responsive to the signs of the times as evidenced by cycles of continuous growth and renewal. The retreat center's primary ministry is Passionist-preached retreats. Additional ministries include Passionist-sponsored groups, special programs, ministries serving youth and adults, Hispanic retreat ministry, and hosted groups in keeping with Mater Dolorosa Passionist Retreat Center's Mission Statement.

CEO Interpretation:

I interpret this to mean that the retreat center ministry will be responsive to the authentic human and spiritual needs of the people in our society.

CEO Response:

Since our current retreat season began in September 2018 to the beginning of March 2019, we have conducted eighteen men's retreats. We can report that our numbers for the men's retreats at around the same level as last year. On the first eighteen men's retreats we have had 1,319 retreatants for an average of 73 retreatants per retreat, year to date. The first four women's retreats have been sell-outs with an average of 97 attendees per retreat.

We have successfully introduced the one-year retreat starting with the programs this year. This consists of a weekly "Spiritual Break" reflection which is written by various members of the retreat team and published electronically to retreatants beginning one week after they return from their weekend retreat. We are using email drip marketing tools, the Mater Dolorosa web site and

a new external web site (www.spiritualbreak.com) as the delivery vehicles. This is being promoted to all retreatants and others visiting MD currently. This has been very successful with 1,270 people now receiving the Spiritual Break each week and gaining positive feedback from those involved. We have also updated the registration process, created a retreat experience video and have updated information for the captains on the web site with the help of John van Dyke and the ambassador program he has been spearheading. New materials are distributed each week to the captains and co-captains and we expect the whole registration process to be online for next season.

We have also changed our communication tools to provide more timely updates for Captains and Co-Captains in the parishes to help them with their recruitment and promotion efforts. This is an ongoing activity to try and ensure we try and optimize attendance of the Passionist Retreat weekends.

Since the beginning of the financial year in addition to these weekend retreats, we have hosted programs with revenue and bookings (reservations) totaling \$957,702. The accounts for more than 4,900 attendees, 75 individual day events, 75 overnight events to a wide variety of groups. This gives us a total of 150 events for the year to date, plus our bookings in the fourth quarter.

Our revenue for this period for hosted programs is in line with budget expectations.

WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THESE POLICIES

ENDS.1c: Appropriate Environment

The retreat center's environment shall be imbued with the Passionist charism and hospitality, naturally beautiful, and offered as a peaceful place of reflection and prayer. The chapel shall be maintained in accordance with Roman Catholic requirements for a place of worship.

CEO Interpretation:

I interpret this to mean that the retreat center will be maintained well with a focus on Roman Catholic traditions.

CEO Response:

The retreat center works to maintain its sacred environment by keeping the grounds clean and trimmed, placing religious art throughout the facility, encouraging an atmosphere of quiet and reflection, and welcoming all guests with warm hospitality. The retreat center chapel is used solely for Roman Catholic worship although everyone is welcome to pray and meditate personally there.

WE REPORT THAT THE RETREAT CENTER IS IN COMPLIANCE WITH THESE POLICIES