



SOCIETY OF ST. VINCENT DE PAUL

NEIGHBORS HELPING NEIGHBORS

Council Board Meeting Minutes

November 11, 2023, 9 a.m.-12 Noon

Presiding: Carole Johnson, President

1. Attendance:

- Voting members present (none participating virtually) included: Carole Johnson, Jeanette Aubuchon, Judy Belford, R. B. Clark III, Yolanda Diaz, Lyle Gilbertson, Ellen Harshman, Ruth Klenke, David Little, Rene Lorio, Mary Murphy, Ken Patterson, John Stephan, Bernie Sammons
- Voting members absent: Meg Huber (Acting President - Mid-Central District), Christine Novalis, Russ Struttmann, Brenda Vanderford, Clay Whitener
- Ex Officio or non-voting members present: John Foppe and Fr. Dan Thiess
- SVdP staff present: Gena Bast
- Guests: Jason Coleman (Blue Summit Consulting)
- Quorum present: Yes

2. Mass- Fr. Dan Thiess celebrated Mass in the Council chapel. His homily focused on a quote from St. Vincent dePaul: "The poor are our masters".

3. Commissioning Ceremony

Following Mass, the meeting came to order at 9:35 a.m. Carole Johnson thanked everyone in attendance and Fr. Dan led the Commissioning Rite for members of the Board.

4. Financial Update - John Foppe

- A financial update was not intended to be part of this meeting. However, due to recent negative developments and the desire for transparency strongly expressed at the last District Presidents meeting, there is an immediate need to communicate the negative developments and what is being done to address them. A modified November 11 meeting agenda that included a Financial Update at the beginning of the training session was emailed to all Board Members on November 9.
- We are again experiencing a liquidity crunch. We still have \$2.3 million of reserves and there's no evidence of fraud or malfeasance. Over the past several months, little financial information has been provided (no regular monthly financials) and much of what was provided was inconsistent (status of the FY2022 audit, conversion of the accounting system, cash flow situation, etc.). As a result, and despite his many positive contributions, the Finance Director, Eric Weible, was presented with a Performance Improvement Plan. Instead of accepting that plan, he resigned.

- John then introduced Jason Coleman of Blue Summit Consulting, who has been engaged on a remediation project. Jason provided information about his extensive background, which includes experience both with for profit businesses and nonprofit organizations, often in remedial situations.

Jason explained that in the past week, there was \$377K in the operations account, but \$700K of payroll and trade payables payments which had to be funded. This shortage has been covered by temporarily borrowing \$400K from reserves (approved by a resolution of the Executive Committee); that resolution also reduced the Board Designated Fund for Disaster Relief from \$250K to \$100K.

The \$400K will be paid back when the cash flow situation improves. For example, a large (over \$1 million) unrestricted bequest is expected in the next few weeks. Depending on the cash flow situation Also, contributions tend to increase significantly in the holiday season which is upcoming (fall months are slow contributions months).

In addition, a \$1 million line of credit will be established with UBS. This was approved by a resolution of the Executive Committee. UBS manages SVdP's investment accounts.

Since Jason arrived earlier in the week, he has noted a number of issues: 1) accounting work is backlogged and the department is understaffed; 2) the migration from QuickBooks to Sage has not been smooth (as evidenced by the lack of financial statements); 3) the FY2022 audit is only about 3/4ths complete, requiring another 1 - 1 ½ months to complete. Jason has just started and is getting into additional details on problem areas.

- Lyle Gilbertson (Board Treasurer) also emphasized the importance from his audit experience of delivering good news fast and bad news faster, therefore the unplanned financial update in this meeting. The line of credit is being established since cash flow is not smooth, and there can be times when the operating cash account isn't sufficient to fund obligations due. The peak holiday season is just starting, which hopefully will improve the cash flow situation. However, some budget cuts may be needed. Lyle and John Stephan (of the Finance Committee) will meet with Jason in the next week (and into the future) to monitor the cash flow situation and other accounting issues. Finally, Eric Weible didn't cause the liquidity crunch, but the lack of financial reporting brought what might have been a more manageable situation to a crisis point.
- A period of comments and questions followed, summarized as follows:
 - Investment balances which UBS manages are the collateral for the line of credit. We will be charged .5% for the unused balance of the line of credit and prime rate (approximately 8%) for funds borrowed.
 - There is currently an approximately \$75K/week shortfall of cash (expenses exceeding receipts).
 - "Run rate" of expenses is not well quantified at this point; Jason is working on that.
 - Jason stated that the authority to move money among accounts has been separated from those who are handling the accounting.
 - Staffing - job descriptions for 6 accounting positions are being evaluated; increased staffing will likely be required.
 - Need for clarity emphasized; Jason, however, indicated that initially only partial financial information (not complete set of statements) may be attainable.
 - What programs are in jeopardy - no program cuts planned/anticipated at this point.

arole Johnson emphasized positives - God is good; in spite of difficulties, we have a plan

going forward.

- John Foppe indicated that weekly updates will be provided to the Board. He also stressed that information shared today should be kept confidential. This is about safeguarding the organization and its image. Also, there is a personnel matter (Finance Director) which is still outstanding.

- Lyle Gilbertson stressed the importance of getting through the first quarter. Programs and vouchers have not been affected and the peak giving season is coming up.

- John Foppe stressed additional reasons for optimism - SVdP has a good image, the giving season is coming up, the staff is dedicated, and SVdP has gotten through difficult situations before (including some he faced when he first started). We will get through this.

- Jason stated that his priorities (as he sees them based on limited evaluation he's been able to make in his first few days):

- Liquidity (line of credit, monitoring cash requirements, etc.)

- Financial reporting

- FY2022 audit - FY2022 was a "sea change" from previous years in that conferences are included (previously had not been).

- Accounting department staffing

5. Following a break (10:35-10:45), the meeting resumed.

Carole Johnson announced that the Executive Committee now includes herself, Judy Belford (formerly Secretary, now taking on additional responsibilities as head of the Twinning Committee), Lyle Gilbertson (Treasurer) and John Stephan (who has agreed to become Secretary).

Board Member Orientation was led by Paul Lodewyck of the Governance Committee. A handout was provided with information for Board members and a series of slides containing additional details of the Vincentian vocation. The session with each Board member introducing himself/herself, including how long they've been a Vincentian, their background, and why they became/remain a Vincentian.

Fr. Dan led a discussion "Why Are We Vincentians" - key points include:

- We are a family; families support each other.

- When we show up at their door, NIN's can exhale knowing they'll be heard.

- Trust in one another and in God.

- "Is anyone listening" (based on Proverbs) - Vincentians need to listen with eyes, ears and hearts. Listen more to share the face of Christ and to learn.

- Being a Vincentian is a 24/7 vocation.

- True listening is a sign of love and respect; indicates caring.

- The greatest fool will have at least one good insight in their lifetime; we need to listen to hear it.

Paul mentioned that the SVdP Board has 21 members, more than many large corporations.

However, the Board supports everyone in the inverted organization chart. Major mistakes that a Board can make:

- Too much interference with staff

- Too little guidance on objectives, guidelines, etc.

- Failure of communication with the organization

- Failure to lead the organization

6. Executive Director Evaluation Process

- Paul Lodewyck led a discussion of the FY2023 Executive Director evaluation process. (John Foppe did not attend this segment of the meeting since it was his evaluation process being discussed.) This included the evaluation form, which was developed by an ad hoc committee led by Paul and included Carole Johnson, Judy Belford, Denise Chachere, Ellen Harshman, Rene Lorio, Ken Patterson, John Stephan, and Brenda Vanderford (member of the ad hoc Governance Committee). This process hasn't been in place before. It will be implemented retrospectively for FY2023 (already completed), and going forward for FY2024 and subsequent years. The form and the process (which includes self-evaluation by the Executive Director and a survey of Board members) were discussed by the Board members present, who approved moving forward by consensus.

7.

12. Closing prayer – Fr. Dan Thiess

The Meeting adjourned at 12:20 PM

Respectfully submitted by John Stephan
Secretary