

SMCS Board of Trustees' Meeting Wednesday, September 20, 2017 - 6:00 pm

Present: Helen Englebert, Dustin McClone, Nancy Braatz, Gary Elmer, Kathleen Healy Osland, Paul Seveska, Kim Massey, Philip Kerwin, Steve Pable, Mary Krueger, Fr. Seidl, Dan Engelhard, Lori Vegso, Kristen Bergstrom.

Absent/Excused: Fr. Paider, Fr. Bergsbaken, Mary Krueger, Pat Breen.

Guest: Ms. Jeanne Lee, Mr. Dale Glen, Ann Greif.

At 6:00 p.m., prior to the Board meeting, Mr. Dale Glen from CliftonLarsonAllen LLP (CLA) presented the audit report to members of the Board and Finance committee that were present. Mr. Glen identified some future changes that will be required in the financial reporting in 2019. These will include a required statement of "functional expenses" and required disclosures of the liquidity for the organization and discussion regarding how the obligations in the coming fiscal year will be met.

Mr. Glen reviewed the Significant Audit Findings in the letter addressed to the Board of Directors and the Management Letter directed to SMCS Management and the Board of Directors. It was recommended that procedures be formalized and put in place to support the newly created policy pertaining to the use of credit cards and the pre-approval of purchase orders. Also, it was recommended that restricted donor funds be maintained at all times, and not used to pay down the line of credit, even on a limited basis.

Mr. Glen also reviewed the Financial Statements. An auditor's report was not included, but it was reported by Mr. Glen that he anticipates CLA will provide updated letters and report within the week to provide an unmodified (clean) report and there will be a finding that the financials are in line with Generally Accepted Accounting Principles (GAAP). Funds will not have to be returned to the DPI for funds provided by the state to educate choice students, as the cost to educate exceeds the DPI payment.

A special session was held with just the Board and Mr. Glen, without staff or guests present.

Opening Prayer: Ms. Braatz began the meeting at 6:53 pm and led the group in opening prayer.

There were no guests for open forum.

Ms. Braatz called attention to the Board Agenda. No changes were made.

Approval of the Minutes: Mr. Seveska moved to approve the August, 2017 minutes. Second by Ms. Bergstrom. Motion passed.

President's Report: Ms. Englebert presented her report to the board. Items covered included:

Curriculum and Professional Development: Ms. Englebert discussed the Catholic Schools Summit set to take place Friday, September 22nd. The will be attended by all administrators and some members of the leadership team. The Summit will focus on the Meitler study recommendations, and include break-out sessions in key focus areas. Board members were invited to attend, including all pastoral leaders.

Admissions/Enrollment: Ms. Beisenstein-Weiss joined SMCS in August as the Director of Admissions. She has met with principals to discuss recruitment and retention. The Zephyrator will be visiting the elementary schools on a monthly basis to celebrate birthdays. The 8th grade visit day will be on October 5th. The grade/middle school nights are set for fall sports.

Staffing: Marsha Britt will start on September 18th as the Zephyrfest coordinator; Kali Behnke was hired as the first grade teacher at St.MM; Dina Lein was hired as the PK4 teacher at St. G; Dina Sturgell is a PK4Aide at St. G; Joel Thomas is the SPIRITUS intern at the HS; Fr. Jon Thorton is the HS Chaplain; SMCS is still looking for a 3 day PK4 teacher at St. G.

Business Services: Business and Technology are working to provide event software to System fundraisers. There is a payroll software conversion/upgrade taking place on September 30th. This will eventually allow for open enrollment to take place online. The budgeted replacement of projectors, document cameras and smart boards is occurring. There is a \$200,000 fundraising initiative for infrastructure upgrades underway.

Fund Development: Annual fund mailing of the brochure and commitment cards go in the mail by October 1st. There have been efforts to engage alumni and are looking to roll out the celebration of 20 years in the “new” high school.

Additionally, Ms. Englebert invited the Board members to October 1st at 4:30 -5:30 Showcase of campus. At 5:30 will be the blessing and dedication of the Fitness Center.

Board Goals: A review of the strategic plan was provided by Ms. Braatz to the new board members. A discussion was held about the Board Goals for the year. As identified by the Executive Committee and proposed by Ms. Braatz, they include:

1. Strategic Plan: plan and conduct a refresh of the implementation of the 2016-2019 strategic plan for SMCS. Metrics and measurable goals will be in place by January, 2018, with implementation in the second half of the fiscal year. Elements will be identified for key areas of BOT focus.
2. Budgets: The BOT shall recommend to the BOD the annual operating and capital budget, including parish subsidy amounts. (a) Approve an operating budget that is balanced and provides for the capital needs of SMCS; (b) Develop contingency plans for addressing budget challenges. Focus on strategies for reducing net liabilities and increasing third source funding.
3. Role of the Board: (a) act as the governing body of the system, following expectations outline in the SMCS BOT Role Description. All members are expected to serve on a minimum of one committee; (b) Fund Development: Support fund development efforts to achieve target non-subsidy funding for system. BOT support focus in areas of (i) 100% participation in annual fund; (ii) engaged attendance at system fundraisers representing the Board; (iii) Identification of potential donors and/or outreach to those we know. (c) Governance: Continue structured process to assess board membership with the goal of meeting the spirit of the Diocesan guidelines and identifying BOT candidates who can advance the mission of the system; (d) Communication: Support the system President by communicating appropriate messages to those in the system, parish leadership and the general public.

Motion to approve the Board Goals by Mr. Seveska. Second by Mr. McClone. Motion carries.

2017-2018 – Standing Committees. Ms. Braatz reviewed the participate in the BOT committees: Athletic Committee is Mr. Breen (chair) and Ms. Healy Osland; Building/Grounds Committee is Ms. Vegso (chair) and Mr. Elmer; Catholic Identity Committee is Ms. Braatz (chair) and Mr. Pable. The Finance Committee is Ms. Bergstrom (chair) and Gary Elmer; Fund Development is Mr. McClone (chair) and Mr. Engelhard. The Governance Committee is Mr. Seveska (chair) and Mr. Kerwin; The Marketing Committee is Ms. Massey (chair) and Mr. Breen and Mr. Seveska.

Strategic Initiative Committees: A discussion was held regarding Task Force Committees. As part of the Strategic Plan refresh, there will be work done by Ms. Vegso, Mr. Seveska and Ms. Bergstrom to determine whether some of the Strategic Initiatives should be combined with Standing Committees of the Board, so as to coordinate similar efforts. The Catholic Education as an Investment Board Champion is Ms. Braatz; the Recruitment/Retention committee does not have a Board Champion identified; the Financial Model Board Champion is Mr. Engelhard; the Academic Excellence Board Champion is Ms. Bergstrom. There is currently no Board Champion for Deliver Exceptional Student Experience.

Catholic Identity: No update

Recruitment/Retention: No update

Academic Excellence: No update

Exceptional Student Experience: No update

Financial Model: Dan Engelhard provided an update on the foundation. The group worked through the summer to get a meeting with the GB Diocesan representatives for the purpose of presenting the foundation proposal. This was reviewed with Diocesan representatives: Tammy Basten, Chancellor, Cindi Brawner, Executive Director of the Catholic Foundation, and Todd Blahnik, Assistant Director of Education. This would be the first new foundation created within the Diocese within the last 20 years. It will be scheduled for approval by consent resolution by the corporate board, hopefully in October. Once that is approved, the committee would work with counsel to put together bylaws so it could be presented to the Board for final approval.

Committee Reports:

Executive Committee Report: Update on the probation and parole center was provided.

Athletics: No update provided. An October meeting is scheduled.

Building/Grounds: Ms. Vegso provided the report. They have a new member from St. Gabriel parish.

Catholic Identity: Ms. Braatz provided the report that they are meeting at the end of September

Finance: The finance committee minutes were provided prior to the meeting. There is no additional report, given the audit presentation.

Fund Development: Mr. McClone provided the report. The annual fund info is going out. This Friday is Meet Me in the Middle, Taste in October and Z Night in November. There is a new fundraiser called Zephyr Gold, which is a raffle where prizes are drawn monthly.

Governance: No report.

Marketing/Advancement: SMCS Board of Trustee Talking Points provided.

Old Business: None.

New Business: None.

Motion to Adjourn by Mr. Engelhard. Second by Mr. McClone.

Adjournment: Ms. Braatz adjourned the meeting at 8:41 p.m.

Next Meeting: October 18, 2017 6:30 p.m.

Respectfully submitted,

Kathleen Healy Osland