

SMCS Board of Trustees' Meeting

Wednesday, April 19, 2017 - 6:30 pm

Present: Dan Engelhard, Helen Englebert, Nancy Braatz, Lori Vegso, Pat Breen, Gary Elmer, Kathleen Healy Osland, Chris Hartrich, Kristen Bergstrom and Mary Krueger, Dustin McClone, Paul Seveska, Fr. Ingold, Pam Seidl.

Absent/Excused: Fr. Paider and Fr. Seidl.

Guest: Pat Batey.

Opening Prayer: Ms. Braatz began the meeting at 6:36 pm and led the opening prayer.

There were no guests for open forum. Mr. Howard Healy provided a letter to the Board, which he requested be attached to the minutes as an open forum discussion. Board members confirmed that they received this letter prior to the meeting from Mr. Healy as a member of the finance committee. This topic is included in the Agenda.

Mr. Braatz called attention to the meeting minutes from the March 15, 2017 meeting. No changes were proposed. Motion to approve the minutes by Mr. Elmer. Second by Ms. Krueger. Motion passed.

Ms. Braatz called attention to the meeting agenda. No changes to the agenda were proposed.

A discussion regarding the potential Foundation was held. Ms. Braatz indicated a proposal was made to do a ballot vote to vote for the foundation. A vote was held on the proposal. Those in favor of a ballot vote were 5; those in favor of a voice vote were 7. Voice vote carries.

The motion regarding the foundation was subject to a motion to table at the last meeting. Motion is the same from the last meeting. Mr. Hartrich moved to un-table the motion and present it for further consideration. Second by Mr. Seveska. Motion passes. The previous motion was:

The SMCS BOT agrees to establish a foundation. The working team will engage legal advice to develop and draft foundation agreement. The SMCS BOT will have an opportunity to modify the draft and will approve the final legal agreement later in 2017.

Mr. Engelhard put forth a new motion.

SMCS board of trustees agrees to establish a foundation, contingent on the bishop's approval. The working team will engage legal advice to develop a draft foundation agreement. The SMCS BOT will have an opportunity to modify the draft and will approve the final legal agreement later in 2017. Second by Mr. Breen. Discussion followed.

Ms. Vegso suggested that we consider slightly modifying the motion. She requested an amendment to include approval of a Phase 2 of Foundation development. She voiced discomfort at this point because of some unknown information and questioned whether or not there would be an out if we wanted to stop this process in the future. It was pointed out that the motion includes that the BOT has final approval.

Mr. McClone requested some information regarding what is the downside. Ms. Healy Osland responded regarding the increased cost on the audit, unknown administrative costs and some unknown about whether or not it insulates the funds from liability.

Ms. Bergstrom reported on the work she promised that she would do at the last meeting. She spoke with representative at Marquette High. He shared that they considered a foundation several years ago and did not move

forward. Their decision was based upon the following: they did not find an advantage in having the foundation because of the additional administrative functions and it was not a guarantee for liability issues. They utilize an investment manager, who is reviewed by an investment committee. She also spoke with Mr. Steve Johnson, our former audit partner in Racine. He is the foundation Chair for the St. Catherine's school in Racine. Their foundation is in excess of \$5 million. It is run by a volunteer who spends about 10 hours per week on the foundation to protect moneys from being spent from operations, versus being used for their intended purpose. He said it not necessary to have a foundation, but it is necessary to establish policies for gifts and uses of those gifts. Organize and consolidate the funds prior to moving them into the foundation.

Ms. Bergstrom also spoke with a representative at Pius High School in Milwaukee. They have \$4 million in endowed funds not in a foundation. She offered to introduce Ms. Bergstrom to Catholic Memorial (that is supported by parishes) and also the contact at the Archdiocese in Milwaukee who would have insight into the additional legal ramifications might be.

Ms. Englebert added that she has been in contact with the Diocese of Green Bay. Fr. Ingold requested to know who her contacts were at the Diocese. Ms. Englebert indicated that she first reached out to Dr. Joe Bound, who directed her to contact Ms. Cindi Brawner. Ms. Englebert followed up with a conference call to Ms. Brawner, including Mrs. Michelle Dejno on the call. The Diocese advised that they get involved once the system BOT decides to proceed.

Mr. Seveska asked Gary Elmer why the finance committee did not give a recommendation on the proposal. Mr. Elmer indicated that most of the members indicated they could live with the motion if it said "pursue" rather than "establish."

Mr. Hartrich discussed having a foundation will give more attention to the funds and provide additional oversight to ensure the donor's intent.

Mr. Breen mentioned that Ms. Dejno has been told by potential donors to our system are more comfortable with a foundation and some donors only give to an organization when a foundation is in place.

Mr. Seveska moved to call the question. Second by Ms. Krueger. Mr. Engelhard read the motion for vote:

SMCS board of trustees agrees to establish a foundation, contingent on the bishop's approval.
The working team will engage legal advice to develop a draft foundation agreement. The SMCS BOT will have an opportunity to modify the draft and will approve the final legal agreement later in 2017.

Vote on the motion. 9 in favor. 4 opposed. 1 abstained. Motion carries.

President's Report: Ms. Englebert presented her report to the board in writing. In particular, she covered, the AdvancedEd High School Accreditation Site Visit scheduled for May 1st and 2nd. Mr. Bat Batey received a request and schedule from the person leading the accreditation team to meet with a team of teachers, students and parents. They are hoping to meet with any Board members who are available on Tuesday, May 2nd 8:00-8:45 a.m. There will be a full presentation at the May meeting on enrollment. Tomorrow is the deadline for vouchers.

Executive Committee Report: Ms. Braatz reported that the items discussed at Committee are represented in this meeting.

Athletics: Mr. Breen indicated there will be no report this month. Meeting is May 15th.

Building/Grounds: Ms. Vegso provided the report. May meeting is next Monday and they will updated their 5 year plan.

Catholic Identity: Ms. Braatz provided the report. There is no update.

Finance: Dan Engelhard discussed the foundation document. Mr. Breen was present at the last finance meeting to discuss the RFP process. The balance sheet and P&L were provided and Mr. Elmer entertained questions on those documents. This most recent finance committee was a special meeting covering Foundation and RFP.

Fund Development: Zephyrfest eclipsed \$600,000 revenue for the first time ever. It is anticipated that expenses will be higher than last year. Annual Fund is tracking where it was last year (\$1,000 behind last year at this time).

Governance: Mr. Hartrich announced that he will be resigning from the Board at the end of June. Ms. Seidl provided the report regarding the publication of the Board of Trustees nominations. The deadline is May 5th. The approval happens at the May board meeting and the officers are selected at the June meeting.

Marketing/Advancement: Talking Points provided. More SMCS graduates in formation for the priesthood than any other HS in diocese. Middle School musical is this weekend, Godspell.

Strategic Plan Initiatives Update:

Catholic Identity: Ms. Braatz provided the report. There is no update.

Recruitment/Retention: Ms. Seidl provided the report. Recruitment and retention and exceptional student experience met together. Jennifer Miller is stepping away as the staff lead. This will transition to Jason Tursky. Liz Uhlenbrauk will sit down with Pam Seidl to discuss those items that impact the student experience and recruitment. Perhaps a group of parents with a marketing background would help on the recruitment and retention.

Academic Excellence: Ms. Bergstrom provided the report. Ms. Bergstrom presented to the teacher at the March service day. The presentation that was shared will be e-mailed to the Board. The family survey will need to be disseminated to parents in some form by the end of the year.

Student Experience: There was no report.

Financial Model: Mr. Breen provided an update on the RFP process, including the process used by the subcommittee, term of engagement and future RFP options. The committee selected Associated Investment Services to manage the Miller funds. Motion by Mr. Hartrich to ratify the selection of Associated Investment Services to become the initial investment manager of the Miller Fund, less the funds that are needed for the prior to the first draw and the funds replaced from the line of credit. Second by Mr. Elmer. Motion carries.

Old Business: None.

New Business: The Health and Wellness committee has been re-invigorated and now led by Jennifer Miller. The committee is proposing that minor changes be made to our current policy as presented by Ms. Englebert. Motion to approve with changes as noted by Ms. Seidl. Second by Mr. Seveska. Motion carries.

Adjournment: Ms. Braatz noted the meeting for May will start at 6:15 for the Wisconsin Parental Choice Program parents to attend in closed session. Ms. Braatz adjourned the meeting at 8:40 p.m. on a motion by Mr. Seveska. Second by Ms. Krueger.

Next Meeting: May 17, 2017 6:15pm

Respectfully submitted,

Kathleen Healy Osland