



**Board of Directors Meeting
Tuesday, September 19th, 2017**

7-8:30 p.m.

AGENDA

Call to Order	Maureen Gomez	7:00-7:05
Welcome & Introduction of new board members & Staff	Maureen Gomez	7:05-7:15
Approval of the Minutes of June 20, 2017	Michael Flynn	7:15-7:20
Executive Director's Report	Joe	7:20-7:40
Financial & Investment Update		
• ACTION ITEM: Review/Approve Audit	Rob	7:40-7:55
• ACTION ITEM: Review/ Approve Budget		
Development Update	Britani/Julie	7:55-8:10
• Annual Fund Kickoff		
• Gala		
Committee Breakout Sessions		8:10-8:30
• Program Committee	Jenn Prather	
• Marketing Committee	Chris Pye	
• Finance	Rob Kost	
• Nominations/Governance	Jenn Amantea/Brendan Goodhouse	
• Development	Julie Souza	
Adjournment		8:30 p.m.

Next Board Meeting Tuesday, November 14th at 7 p.m.

Port Chester Carver Center

Minutes of the Meeting

Tuesday, September 19, 2017

Present:	<i>Jennifer Amantea, John I. Condon, Michael S. Flynn, Taegan D. Goddard, Maureen Gomez, Brendan Goodhouse, Richard S. Kost, Derek E. Mahoney, Patrick J. McGovern, Thomas F. Murphy, Sam Ortiz, Jennifer Prather, Maida Robinson, Claire Steinberg, Brian Stern, Holly Zimmerman</i>	
Absent	<i>Sonia Alcantarilla, Betty Brown, Judy Diaz, Robert Kaplan, Richard Lawrence, Chris Pye</i>	
Staff:	<i>Joseph Kwasniewski</i>	
SUBJECT	DISCUSSION	OUTCOME
Call to Order	Maureen Gomez , President, called the meeting to order.	

<p>President’s Report</p>	<p>Maureen Gomez welcomed all of the new Board members and also all of the returning Board members. She asked all present to introduce themselves briefly. All Board members and the Executive Director then introduced themselves.</p> <p><u>Consent Agenda Process:</u> Maureen reported that, in an effort to streamline Board meetings going forward, she wanted to inform the Board of a move to a “consent agenda” process. Maureen described that, if adopted by the Board, the Board would no longer receive oral reports on certain items during meetings and would also not be required to vote on certain individual motions at Board meetings. A consent agenda is a bundle of items that is voted on, without discussion, as a package. It differentiates between routine matters not needing explanation and more complex issues needing examination. A consent agenda process is typically handled in the following steps:</p> <ol style="list-style-type: none"> 1. Set the meeting agenda 2. Distribute materials in advance 3. Read materials in advance 4. Introduce the consent agenda at the meeting 5. Remove (if requested) an item from and accept the consent agenda 6. Approve the consent agenda 7. Document acceptance of the consent agenda 	
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	<p>The consent agenda promotes good time management and leaves room for the Board to focus on particular items warranting discussion.</p> <p>Maureen indicated that all Board materials and consent agenda items would be available on the Board portal well in advance of each Board meeting. Board members would have the right to remove any item from the consent agenda and ask for individual discussion of any item. This request could happen in advance or even at the meeting in question. Unless an item was so designated as being off the consent agenda, all items on the consent agenda would be accepted or approved by the Board as a package by consent.</p> <p>A motion was made to adopt the consent agenda process. It was duly seconded.</p>	<p>The adoption of a consent agenda process was unanimously approved by the Board.</p>
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<p>Approval of Meeting Minutes</p>	<p>Michael Flynn (Secretary) asked for a motion to approve the minutes of the meeting held on June 20, 2017. The motion was made and duly seconded.</p>	<p>The minutes of the June 20, 2017 meeting of the Board were unanimously approved.</p>
<p>Executive Director's Report</p>	<p>Joe Kwasniewski delivered a report of the Executive team (which is comprised of Joe, Leanne Tormey, Britani Griffin, and Alex Chavarria). Joe discussed that Carver is in the process of transforming from a community organization to a community learning organization.</p> <p>The Executive team is focused on making sure that all Carver stakeholders, from the Board to the Executive team to the staff and donors are comfortable with the transformational strategy of Carver becoming a community learning organization.</p> <p>Joe reported that the Executive team recently convened an offsite meeting coordinated by Stephanie Rogan where topics like vision, mission and organizational priorities were discussed.</p> <p>There are three areas in particular that Joe brought to the Board's attention that the Executive team and the staff are working on: (1) HR talent development; (2) data management and performance metrics; and (3) facilities management.</p>	

As to HR talent development, the Executive team has created a tool to help staff self identify areas in which staff members would like to enhance their development and grow professionally (see Professional Growth Identification Tool handed out to the Board). Joe has formed a committee to work on this project and analyze the data. So far, thirty-five staff have participated in the process.

As to data management and performance metrics, Joe described that one of the two Harvard Business School projects utilized by Carver focused in particular on the importance of collecting and using data. One of the takeaways from that work was the notion that it would be helpful to have a better handle on program inputs (such as enrollment attendance, retention rates, etc.). The Executive team, as a result, has been analyzing information systems that might be useful in assisting Carver to obtain a better handle on inputs, so it can take to the next level the recommended HBS logic model whereby inputs are properly collected and analyzed so that they to lead to programmatic change and desired outcomes. The Executive team has identified a tool called Easy Facilities that will allow Carver to track client demographics, registration behavior, attendance, frequency of use, program evaluation metrics and other data. This ability will allow for better and more information to all stakeholders, including staff, the Board and donors. In particular, use of this type of data collection tool will automate the data collection process and allow the team to see across programs much better. In addition, it will enhance Carver's capability to track and forecast program fees, to communicate more effectively with Carver clients and to utilize space in the building more optimally as well. The software is very low cost (\$400 initiation fee and then \$250 per month to use). Cancellation only requires a thirty day notice, so Carver would not be locked into it for a long period, if it turns out not be useful. Maureen Gomez noted that Carver also looked at alternatives like Sales Force, which is much more expensive and would require customization and significant training. Joe also clarified in response to a Board member question that Carver will own the data it collects within the Easy Facilities tool, even if Carver were to stop using Easy Facilities. There was also discussion of the fact that Easy Facilities is compatible with Tableau, which can be used free of charge to create reports from the data collected and organized in the Easy Facilities tool. There was finally a Board member suggestion that someone on the staff find an organization using Easy Facilities and go to that institution and learn how that organization utilizes it and has configured the tool, so we do not need to reinvent the wheel.

As to facilities management, Joe reported that the Executive team and staff have spent time analyzing how Carver is utilizing the Carver space. The tradeoffs between

	<p>program space and rental space are an important item to be analyzed. The team is also tracking the physical work being done with the use of new management tool. The last item Joe discussed was the construction project. There were some overages in cost, so certain other aspects of the project (like redoing the front lobby) have been deferred. There is another request for additional funding for the capital improvements projects previously contemplated. The hope/expectation is to receive an additional \$350 K in funding, which would finish up the rest of the compliance items on the construction project and cover the currently known overages.</p>	
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<p>Finance Report and Investment Update</p> <p>ACTION ITEM:</p> <p>ACTION ITEM</p>	<p>The finance report was presented by John Condon and Rob Kost.</p> <p>Review of Audit Report and Audit Management Letter for FY 2017: The Board received a draft of the 2017 Audit Report and Audit Management Letter (via the web portal). John noted that the auditors have reviewed the Audit Report and Audit Management Letter and discussed their recommendations with the Audit Committee.</p> <p>John highlighted certain aspects of the Audit Report and Audit Management Letter for the Board. As to the Audit Report and FY 2017 financial statements, in addition to receiving a clean opinion from the auditors, John called three items to the Board’s attention: (1) in the Statement of Activities, the ratio of expenses on programs to total expenses (including also management, general and fundraising exceeded 75% (exceeding a benchmark of 75% for this ratio is considered very positive); (2) FY 2017 saw an overall increase in net assets of approximately \$153 K as compared to a decrease of approximately the same amount in FY 2016; and (3) at the end of FY 2017 Carver had drawn down into its line of credit in an amount of approximately \$200K to fund operating expenses.</p> <p>As to the Audit Management Letter, John pointed out to the Board the auditors’ recommendations for internal control improvements as follows:</p> <p>Cash The auditors recommend that an officer of Carver periodically review the bank reconciliations and question any unusual reconciling items. In addition, they recommend that an officer periodically review monthly bank statements and the accompanying canceled checks, electronic fund transfers (EFTs) and question any unusual transactions.</p> <p>Accounts payable and purchasing The auditors recommend that a non-compensated officer periodically review the credit</p>	
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card statements and supporting documentation and initial the statement as positive documentation of this procedure.

Payroll

Due to recent changes in labor laws and regulations, the auditors recommend that Carver review its current employment practices with labor counsel to ensure compliance with all applicable wage and hour laws and regulations.

General

The auditors recommend allocations of expenses to programs, management, general and fundraising be made on a monthly basis or, if that is not feasible, at least quarterly. We again recommend that Carver establish written procedures for estimating the allocation of expenses and that such allocations be reviewed periodically by management and revised as necessary.

The auditors also recommend that Carver establish a written disaster recovery plan related to such information. This plan would incorporate procedures for backing up all computer-processed data, appropriate storage procedures for such backup as well as an appropriate schedule for maintaining backup copies of computer data off-premises. This plan should be incorporated into the accounting and internal control procedures manual.

The auditors recommend that Carver review the service organization's internal control reporting (commonly referred to as SOC 1 or SSAE 16 reports).

Cyber-crime

The auditors recommend that Carver consider a network vulnerability assessment to ensure its security from data breach. *****

Rob and John both indicated that the auditors' comments and recommendations were not significant, that many of the items noted are already being addressed and that the remainder of the items will be addressed going forward. They reported that the financial controls are in very good shape, noting also that Carver outsources the preparation of its financial statements to the M group, providing an added layer of financial control protection.

Review of Audited Results for FY 2017: The board received a draft of the FY 2017 Annual Report with audited financial statements (via the web portal). Mr. Kost reviewed the audited financial statements. He highlighted the total revenue figure for the year of approximately \$4.3 MM, noting that restricted contributions of approximately \$1.88 MM were driven largely by funding for the after-school program and that the Board can play a significant role in generating unrestricted contributions (which in FY 2017 were approximately \$563 K, up from FY 2016, but down from FY 2015. Mr. Kost also discussed the Food Service revenue item and government grants line, explaining the nature of those revenues to the Board. Mr. Kost then referenced the fundraising events line item, stressing the role of the Board in generating that type of revenue. He also ran down the list of the other revenue items. Mr. Kost then turned to an explanation of the expense line items, noting that the single biggest expense is salary expense (\$2.8 M in FY 2017). The bottom line, after depreciation expense, is an increase in net assets for FY 2017 of \$153 K. Without taking into account the noncash depreciation expense item, net operating income for the year was \$326 K. Rob noted that that included a single large donation of \$500 K, which Carver cannot expect every year.

There ensued Board discussion regarding the various suggestions made by the auditors.

A motion was then made for the Board to accept the audited financial statements for FY 2017 and Audit Report and Audit Management Letter thereon. The motion was duly seconded.

Rob also briefly discussed the assets and liabilities, comparing FY 2016 to FY 2017. He also reviewed the Silvercrest endowment funds. Rob explained the annual draw down from the endowment funds that is permitted under law.

Final Budget for FY 2018: The preliminary budget for FY 2018 was approved at the June 2017 board meeting. Based on new and better information, management revised the budget and reviewed the changes with the Treasurer. Note that the budget is a management report and is not directly comparable to the annual financial statements which are prepared in accordance with GAAP. A summary of the key assumptions and metrics in the 2018 budget were reviewed. It was noted that certain comparisons

The Board unanimously accepted the FY 2017 audited financial statements, Audit Report and Audit Management Letter thereon.

The Board unanimously approved the FY 2018 budget.

to last year's actual numbers would be difficult, given the structural changes being implemented in the current year.

- Total revenues of \$3.71 MM
- Unrestricted contributions forecast at \$600 K, which is a 6% increase from the 2017 actual amount. Joe is comfortable with this budget target and believes we can leverage Carver's 75th year to generate the increase in unrestricted contributions being budgeted
- Restricted contributions of \$1.379 MM, a decrease from \$1.886 MM recorded in 2017. This recognizes that Carver received a \$500 K restricted contribution in 2017 and there should be no reliance from an operating perspective on repeating that in FY 2018
- Government grant budget is basically a carry over with some built in protection if certain grants come in lower because of enrollment figures and the like.
- Rental revenue is budgeted at approximately \$20 K less than the prior year because of the loss of pool revenue
- Program fees have increased \$80 K in the budget because of the expected increase in the after-school program fees
- Food service revenue is budgeted down 7% for FY 2018
- Annual benefit fundraising target of \$275 K, which is an increase from last year's actual number. The corresponding expense line is \$ 100 K, so the goal for the year is a net \$175 K. That would compare to a net number of approximately \$ 160 K for last year, so the budget is roughly in line with last year with a slightly increased goal.
- The additional items on the revenue side are roughly the same as in the prior year, with exception of a one-time insurance gain last year related to a boiler repair
- Total expenses are budgeted to be \$3.68 MM, 6% less than last year or roughly \$250 K in reductions. This budget is reflective of the general reengineering of the organization and the sharing of resources across different areas of the organization
- Salaries and related expenses are Carver's largest expense as in past years

The Board had a discussion about the budget as presented, clarifying the inputs to certain line items and enhancing its understanding of the reasons for various changes

	<p>as compared to the prior year in various expense categories.</p> <p>*****</p> <p>A motion was made to pass the FY 2018 budget as presented. It was duly seconded.</p>	
<p>Development Update</p>	<p>Julie Souza updated the Board on the decision to hold three events this year in light of the fact that it is Carver’s 75th year. One event will be a community fair in June. This event is not a fundraiser, but a community event intended to bring the community together to celebrate Carver. In April, there will be a 75th Gala. This will be more of a traditional event where donors buy tables and certain people will be honored. There will be more discussion of that gala and the honorees in upcoming meetings. The event will be April 21, 2018 at the Greenwich Hyatt. The third event will be a concert at the Capitol Theatre. Discussions are underway to reduce the price point and lower the barrier to entry and to reduce the costs associated with the event. The Capitol Theatre is considering helping us secure the talent at its reduced rate under a contemplated an arrangement where Carver would pay the reduced rate for the talent, the Theatre would help Carver sell tickets for the event, Carver would keep the ticket sale revenue and the Theatre would keep the food and beverage sales. The details are still being discussed. The hope is to secure Blues Traveler, and perhaps have an VIPI type dinner event limited to 125 people before the concert for an additional fee.</p>	

<p>Committee Breakout Sessions</p>	<p>Maureen asked the Committees to break into separate sessions. She asked each Committee to focus on three items: (1) setting a calendar for committee meetings; (2) designating committee members to make periodic reports to the Board (this can certainly be a rotating responsibility); and (3) designating committee members to take and file minutes of committee meetings.</p> <p>After the break-out sessions, the Board reconvened to hear brief reports from the Committees as followings:</p> <p>Program Committee Jenn Prather reported that the Committee will rotate reporting and minute-taking responsibility.</p> <p>Marketing Committee Taegen Goddard reported that Chris Pye will take the minutes and the Committee</p>	
	<p>will be setting a calendar for future meetings in the coming weeks.</p> <p>Finance Committee Rob Kost reported that the Committee focused on the allocation of investments in the endowment. The Committee has agreed to suggest to Silvercrest that it rebalance investments to 65% equities, down from the current 71% equity allocation. Rob also reported that the Committee has developed a plan for the taking of minutes for Committee meetings.</p> <p>Nominations/Governance Michael Flynn reported that Brendan Goodhouse has agreed to take the minutes and that Jen Amantea will coordinate the nominations process. Michael also alerted the new Board members that the Governance Committee will be sending each a survey regarding the orientation process.</p> <p>Development Committee The Development Committee separately reported earlier, <u>see</u> above, and is designating responsibilities among Committee members for reporting and minute-taking.</p>	

Adjournment	Maureen adjourned the meeting.	
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Next Board Meeting – Tuesday, November 14, at 7 PM