

MINUTES
Meeting of the Board of Directors
CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
May 22, 2018

The May meeting of the Board was convened at 12:08 PM at Texas Capital Bank by Board Chair Jacqui Peace, who announced quorum for the meeting was established.

Members Present: Jacqui Peace, Barbara Cantrell, Katy Corrigan, Bill Day, Lauren Ferrero, Rose Mary Fry, Connie Gilbert, Andrew Himoff, Bobby Rios. Curtis Ruder, Candace Tottenham, Debra Weems, Cliff Whittingstall, Jenifer Yi, Frank Zoch. Present by conference call was Jimmie Keenan. Present by registered proxy were Mallory Ahl (Jacqui Peace), Scott Gruendler (Jacqui Peace), Jeff Hetrick (Bobby Rios), Ben Pressentin (Jacqui Peace) Raj Rajani (Jacqui Peace) and Ty West (Frank Zoch)

Mission Moment: Emily Price, Intake Coordinator for the San Antonio site shared a client story about a teen who came to the Center depressed and withdrawn, and “turned his life around” by volunteering to mentor other new youth who came to the Center; then sent a touching note to Emily conveying his understanding now of the pain as well as the healing, and commitment to stay involved to help others.

Member Moment: Board members paid tribute to Cliff Whittingstall, who is leaving the board at the end of his first 3-year term because of the demands of the architectural firm PBK, of which he is now Managing Partner. Cliff has been extraordinarily helpful through the years as a Board member, chair of the Facilities Committee, as well as a volunteer facilitator. Cliff and wife Elaine plan to remain involved, and as a symbol of appreciation he was presented with a handblown “butterfly bowl” by glass artist Gini Garcia.

Board Business

- I. Consent Agenda
 - a. Consent Agenda included Minutes from the April 24, 2018 Board Meeting and Financial Statements for periods ending April 30, 2018. A motion was made by Rose Mary Fry and seconded by Curtis Ruder. Motion was accepted by consensus.

- II. Committee Reports
The following committees had no report: Facilities, Legal, Planned Giving, Resource Development, Marketing and Strategic Planning.

Executive Committee: Board Chair Jacqui Peace provided a verbal update of the May 16 Executive Committee meeting. She shared graphs provided by the CBC senior staff detailing growth of programs and demographics. Jacqui also updated the Board on the volunteer issue which was brought to the Board’s attention and changes that will be made in training to emphasize protocol about child and staff interface, and equity and appropriateness of interaction between volunteers and University interns. Jacqui provided an update of the financial status of the Floresville Center. It appears that with approval of the Victims of Crime Act (VOCA) grant and other grants from private sources that the new operation will at least break even financially in 2018. In addition, Jacqui emphasized that the Rio Grande Valley Center is progressing well but still stabilizing financially. The impact of rapid growth in client caseloads at the Valley Center will require a strategic plan to manage meaningful expansion. It was noted

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that that a strongly functioning Resource Development Committee with broad participation and excellent leadership will be an essential element over the next two years. Scott Gruendler, Chair of Resource Development Committee, underscored that he will be reaching out for help and that the committee will be meeting in June and through the summer months.

Jacqui also announced that the "Annex Building" at 215 W. Olmos, where we have 5 staff in leased space, will either be sold to a new owner, or has potential for long term renewed lease for the entire building with owner Marilyn Eldridge at much higher rate. Jacqui noted that during the May 16 meeting of the Executive Committee there was discussion that many new initiatives were rolling out sequentially, and that the present is not a time to undertake any new demanding programs or a capital campaign. Hence, it was hoped that we will be able to continue to lease at the Annex. Several Board members volunteered to participate on an ad hoc committee regarding the lease negotiations, and space modification if needed. Marian noted that because there is no assurance that Ms. Eldridge will ultimately decide to lease the property, that she informed Board Chair Jacqui Peace about an offer to visit with Tullis Wells, CEO of the Kronkosky Charitable Foundation regarding his perception of the risk involved with trying to buy the property and hold until a future date for a capital campaign. Marian, Bert and Blair met with Mr. Wells on May 16. After listening and looking at the Appraisal book Mr. Wells noted that he and Foundation trustees are generally not in favor of a nonprofit buying old buildings that need major renovation...especially at a time when program priorities are paramount. From just looking at property photos, knowing that few renovations have been done over the past four decades, and being informed that the building is not accessible for people with disabilities, that he encourages us to pursue the option of leasing and not buying. Bert noted that he had a similar conversation with Gordon Hartman, to generally explore perception of our buying the building now and renovating later after a capital campaign. Independent of the view of Mr. Wells, Mr. Hartman also suggested that the lease option is a better strategy. Foundations do not usually allow their funds to be used for payment of debt.

It was noted that the facilities committee would be meeting in June and by that time the Board would be informed of what the status of potential lease is, and that if any decision regarding potential bid on the property was made that the Executive Committee would actively engage and keep the rest of the board engaged in the process. Frank Zoch mentioned that there might be alternative solutions in terms of a single investor or group of investors purchasing the building with intent to allow the Center to continue to operate in the annex building. It was noted that Ty, Frank and Jeff Hetrick have expertise in real estate and are interested in participating in the process. Jacqui noted that if this rises to the level of potential purchase she would want every member of the Board engaged and thoroughly informed in this major decision.

Board Development Committee- Curtis Ruder, Committee Chair, presented a recommendation from the Committee that three new board members be officially approved, bringing total number to 24. The nominees are: Jessica Berg, Community

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Volunteer and Vice President of Lee Michael's; Tom Coyle, VP Major Projects Pacific Mobile Structures; and Ryan Sullivan, Attorney with Dykema Cox Smith. With motion made by Bill Day and second by Jimmie Keenan the three were unanimously approved as new members whose term will begin July 1.

In addition, Curtis requested a vote on the prospective officers for the 2018-19 year:

Chair, Jacqui Peace
Vice Chair, Scott Gruendler
Secretary, Connie Gilbert
Treasurer, Bobby Rios

The above slate was unanimously approved with motion made by Curtis Ruder and seconded by Katy Corrigan. Executive Committee will consist of the officers, and at-large members Rose Mary Fry and Curtis Ruder. Jimmie Keenan will also serve on the Executive Committee, designated by past board chair Bill Day. In addition, Connie Gilbert will chair the Facilities Committee. Barbara Cantrell will be liaison to the Friends organization, along with Mallory Ahl.

Finance Committee – Finances were reviewed for period ending April 30, 2018.

Balance sheet is strong, and staff is closely monitoring cash flow during the summer months. Bobby announced that the Finance Committee approved a revision to the 2018 operational budget to include the revenue and expenses for operation of the Paloma Place/Floresville Center.

Also, Bobby presented to the Board a motion from Finance Committee to accept the 2017 independent audit report prepared by Randy Walker & Associates. The Center received an "unqualified opinion", without discrepancies or deficiencies. The audit was accepted by the Board and Blair Thompson thanked for the major effort that he extended to assure that accounting is in order and internal controls in place.

A final item brought forward from his committee was recommendation that the Center put in place a Line of Credit, as currently there is not one. The recommendation from Committee is that a \$300,000 line of credit be approved from PlainsCapital Bank, which is an amount equal to about two months of operating cash, at an interest rate of "prime plus a half point". Motion was made by Lauren Ferrero and Curtis Ruder to approve this action. Connie Gilbert, employee at PlainsCapital and Bill Day, employee of Frost Bank abstained from the vote. Motion passed.

III Management Report

Board members were directed to the several- page written update on Board portal and in packets.

III. Old/New Business

The Board of Directors ratified the action of the executive committee authorizing management to engage in a lease agreement for use of the building at 140 Paloma Drive in Floresville to establish a center, in a motion made by Jeff Hetrick and seconded by Rose Mary Fry.

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There being no additional business, the meeting was adjourned at 1:30 PM. Next meeting is Tuesday August 28 at 6:00 PM. Meeting will be held at the same place: Texas Capital Bank Fourth Floor Conference Room.

Respectfully Submitted:

Andrew Himoff, Secretary