

**MINUTES**  
**Meeting of the Board of Directors**  
CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS  
November 26, 2018

The November meeting of the Board was convened at 12:10 PM at Texas Capital Bank Building conference room by Board Chair Jacqui Peace, who announced that a quorum for the meeting was established.

Members Present: Jacqui Peace, Mallory Ahl, Jessica Berg, Tom Coyle, Bill Day, Lauren Ferrero, Rose Mary Fry, Connie Gilbert, Scott Gruendler, Andrew Himoff, Jeff Hetrick, Bobby Rios, Curtis Ruder, Candace Tottenham, Debra Weems, Jenifer Yi and Frank Zoch. Informed excused absence due to travel and work, with designated proxy, were: Katy Corrigan (Mallory), Jimmie Keenan (Jacqui), Raj Rajani (Andrew), Ryan Sullivan (Lauren), Ty West (Jeff).  
Staff: Marian Sokol, Kerry Quinn and Blair Thompson.

Special Presentation: Jason Smith and colleagues representing Spaw Glass and vendor companies that support their annual Gold & Luau event attended and presented a \$40,000 check to Children's Bereavement Center. They were thanked by all and photos taken of the presentation.

Member Moment: Jacqui asked Jessica Berg, one of our newest members to re-introduce herself.

Board Business

- I. Consent Agenda
  - a. Consent Agenda included Minutes from the October 23, 2018 Board Meeting. A motion to approve was made by Bobby Rios and accepted by consensus.
  
- II. Finance Committee
  - a. Bobby Rios, Treasurer, reviewed the Balance Sheet and Year- to- Date Financial Statements for Board members and commented that finances continued to trend positively, with balance sheet strong. Based on current projects management does not anticipate the need to exercise the operating line of credit in 2018. ACTION ITEM: Motion by Curtis, seconded by Jeff to approve the October financials was accepted by all.
  - b. Bobby also presented the proposed 2019 Operating Budget. After a motion made by Jeff and Bobby to approve the budget, discussion ensued with comments and questions. Rose Mary Fry noted the importance of "third party events", such as Spaw Glass, where another entity takes ownership of an event with proceeds to benefit the Center. Scott and other spoke to the importance of bringing in new table sponsors for the 2019 Gala to meet the ambitious revenue projections. Scott also underscored the importance of hiring in the next 2-3 months for a highly qualified development director and requested that the job description be forwarded to board members for additional circulation. Rose Mary questioned the ambitious revenue projections in the Public Contributions category, versus showing a deficit budget. Blair responded that we truly believe that with a new staff member in development and Resource Development Committee engaged in Gala solicitation that we can accomplish these ambitious goals. Connie reminded the group that we do have a \$300,000 Line of Credit for operational needs available if we choose to use it. Andrew noted the importance of tracking progress on

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income and defining dates at which specific actions will be taken if revenue not meeting monthly goals. ACTION ITEM: Motion for approval made by Jeff and Bobby was amended to state that approval of the proposed budget is recommended, and that the minutes should reflect careful tracking of year to date revenue projections so that if it appears a deficit will occur, the finance committee and board should consider use of the line of credit or taking some funds from investment account. Motion approved by all.

III. Facilities Committee

- a. Chair Connie Gilbert stated that there was no new information regarding the facility at 215 W. Olmos from perspective of inspections or problems with the building itself. Plans are to close on the purchase by mid-December. Attorneys Lauren Ferrero, Andrew Sherwood and Ryan Sullivan continue to assess any legal issues related to the potential purchase especially regarding further clarification regarding property ownership and succession of ownership by the various partners through the past several decades. Presidio Title Company is working to resolve outstanding legal concerns. Marian shared with the board information about two recent visits with philanthropist Harvey Najim. Mr. Najim chaired the original capital campaign for the present center a decade ago. He has made a site visit to assess the proposed "annex" purchase and has engaged colleague and friend Robert Luna, Architect, to provide initial sketches and comparative cost data on options of either completely renovating the five-decade old 215 W. Olmos structure, or demolish the current building, re-plat and build a totally new structure attached to the current Center.
- b. Board Chair Jacqui Peace referenced the motion regarding the financing required to purchase the property, approved earlier in the month by Executive Committee, and requested that the board review and ratify. It comes with unanimous consent of all eligible Committee members. Because it comes from a standing committee, the motion requires no *second* and can be acted on directly by the Executive Committee under the authority granted in Section 4.2.1 of the Bylaws (as Amended January 23, 2018). Ratification for the minutes is required:

**MOTION:**

**The Finance Committee of the Children's Bereavement Center of South Texas moves for the acceptance of loan offers from both the Gordon Hartman Family Foundation (\$685,000) and Frost Bank (\$600,000) to be used for the purchase, renovation, and furniture, fixtures and equipment necessary to occupy the building at 215 W. Olmos Drive and for associated operational expenses of the CBCST.**

**ADDITIONAL INFORMATION:**

The following is for information only and is not part of the motion.

**SUMMARY TERM INFORMATION ON LOANS:**

- Lender: Gordon Hartman Family Foundation
  - Credit Facility: \$685,000 Promissory Note
  - Purpose: to purchase the building at 215 W. Olmos Dr.
  - Closing: December 6, 2018

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- Maturity: 12-months
- Interest Rate: 5%
- Payment Terms: Interest only, paid Quarterly; \$685,000 balloon due December 2019
- Collateral: First Deed of Trust on property at 215 W. Olmos Dr.
  
- Lender: Frost Bank
  - Credit Facility: \$600,000 non-revolving line of credit
  - Purpose: to bridge timing between renovation and FF&E of 215 W. Olmos and completion of Major Gifts Campaign
  - Closing: not later than January 7, 2019
  - Maturity: 24-months from Closing Date
  - Interest Rate: 4.75%
  - Payment Terms: Interest only payable monthly; at maturity, any remaining balance may be converted to a new loan supported by the capital campaign
  - Collateral: \$300,000 pledge of brokerage account (held at Frost) and assignment of future Capital/Major Gifts Campaign receipts

**ACTION ITEM: Jeff Hetrick moved, with second by Lauren Ferrero, to approve the motion outlined above, which would enable purchase and financing of the building at a level that would allow phase one renovations that are necessary to accommodate additional staff to be relocated to that site. The following individuals abstained due to banking relationships: Mallory Ahl, Bill Day, Connie Gilbert, Candace Tottenham. Motion passed with approval from all other members.**

IV. Resource Development Committee (RDC)

- a. Scott Gruendler, Chair spoke to the importance of securing gala sponsorships, particularly from corporate entities not previously engaged with the Center. He is asking each member of the RDC committee and the board to be pro-active and be responsible for filling at least one table at the 2019 gala, where the Mayor and his wife will be honorees.
- b. Marian spoke briefly about the Annual Campaign, already in progress with a solicitation letter authored by Dr. Laura Lindner, former client and supporter. Rose Mary requested that board members also receive an electronic copy of this letter that they might forward on by email. Jacqui noted that if this new approach is not successful we will add a component of personal appeal letters in the weeks ahead. Board members were also asked to pledge or contribute an annual gift during this holiday appeal season. It is very important that 100% of the Board has made a personal gift during the year. Numerous foundations request this information.

V. Management Report

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Due to the extended amount of Board business covered at this meeting, Marian referred members to the written report in their packets, and reminded them that the next gathering of the board is a scheduled December 13 luncheon at La Fonda on Main, which will honor former board member Linda Fugit, who has moved to Austin, and recognize more than 6 years of service by Frank Zoch who will rotate off the board at the end of the year. Marian also thanked Connie Gilbert and PlainsCapital Bank for sponsorship of the upcoming Holiday Shop event on December 8.

Marian also noted that operations at both the Rio Grande Valley Center and Paloma Place are going well. Client numbers are all four sites are strong! Jacqui requested that Randy Baker, Regional Director of the Harlingen/ Rio Grande Valley office attend the January meeting and that time be provided on the agenda for an overview and update.

VI. Old and New Business

There was no additional old or new business presented.

- VII. Adjournment- the meeting was adjourned at 1:35 pm. Next regular meeting of the Board will be held at 6:00 PM on Tuesday January 22, 2019 at Texas Capital Bank Building, 4<sup>th</sup> floor Conference Room.

Respectfully Submitted:

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Connie Gilbert, Secretary