

BOARD OF DIRECTORS MEETING MINUTES

November 20, 2017
6:00 p.m.
Christopher House
1611 W. Division Street, Suite 207
Chicago, IL 60622

Board Attendees Present: Dan Lynch, Robert Buono, Jordan Hadelman, Jeff Kemerley, Elizabeth Whitehorn, Thomas Woodrow, Dee Dee Chesley, Adnan Assad, Thomas O'Neill, Stu Reed, Gregory Spitzer, Homero Tristan, Kimberly White

By Phone: Nana Owusu

Board Members Absent: *Rolando Acosta, Ronit Barrett, Anthony Chimino, JoAnne Cicchelli, Stephen Raquet, George Reimnitz, Dave Rodin, Rick Smirl and Barbara Stewart*

Christopher House Staff Present: Lori Baas, Katheryn Steward, Karen Ross-Williams, Penne Silverman, Krissy Novy, Julie Dakers

Minutes Recorder: Christina Henneuse

Proceedings

- Meeting called to order at 6:07 PM

Welcome, presented by Thomas O'Neill

- Two new board members are present at today's meeting, Stu Reed and Homero Tristan.
- Each board member present introduces themselves with their company affiliation and years on the board.
- Each Christopher House Leadership Staff introduces themselves with professional title and years at Christopher House.

Minutes and Consent Agenda, presented by Lori Baas and Thomas O'Neill

- Motion was made by Thomas O'Neill, seconded by Adnan Assad and carried unanimously to approve the September 18, 2017 Board of Directors meeting minutes.
- Motion was made by Jeff Kemerley, seconded by Thomas Woodrow to approve the following items on the consent agenda:
- FY17 Head Start Budget Revision

President and CEO Report, presented by Thomas O'Neill and Lori Baas

- Strategic Plan Progress
 1. Grow the school to get building completed to house K-8
 - A. Capital Campaign is well underway, and we are counting on 100% board participation.

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- B. Landed several key donors with others in the pipeline.
- C. If new tax reform occurs it could affect the availability of new markets tax credit.
- D. A substantial amount of money needs to be raised but are more than halfway there.
- 2. Grow the board/grow private donor base.
 - A. Two new directors have joined the board, Stu Reed and Homero Tristan with a few other prospects in the pipeline.
 - B. Secretary of the board, Nicole Toalson has formally resigned from the board. Executive Committee will recommend a replacement. If anyone is interested in this leadership role they should reach out to Tom O'Neill.
- 3. Sustain the enterprise which includes telling our story and building on thought leadership.
 - A. The October speaker event hosted at Robert Buono's house was a success and allowed us to tell our story in the context of a broader research that is happening at a national level.
- 4. Staff development and long term succession planning.
 - A. With the help of Bridgespan's Leading for Impact project, Christopher is working on succession planning and developing internal leaders.
- Elementary School Performance and Charter Renewal
 - 1. Christopher House elementary school received the Level 1+ status this year.
 - 2. Only 4 other elementary schools in the city received a higher score.
 - 3. Christopher House is preparing to renew its charter school contract for another 5 years. It should go before the board in December.
- Final reimbursement from CPS for FY18 was about \$300,000 more than what was initially put into the budget.

Update on Progress and Next Steps Toward Strategic Goals, presented by Lori Baas and Julie Dakers

- FY 16 - FY 19 Strategic Priorities:
 - 1. Increase revenue and sustainability
 - 2. Develop human capital
 - 3. Impact on children and their families
 - 4. Establish Christopher House as a thought leader
- FY18 CEO and board Board Priorities:
 - 1. Build out CH's Middle School.
 - 2. Increase capacity of the Board of Directors.
 - 3. Establish CH as a thought leader.
 - 4. Develop succession plans.
 - 5. Report out on FY17 Strategic Goals:
- **Strategic Priority:** To increase impact on families through the development of human capital.
- **Strategic Plan Goal:** Achieve a retention rate that is 10% above the industry standard.
 - 1. Current national non-profit retention rate is 81% overall, direct staff is 66%.

2. 2015 CH retention was at 60% due in part to an expansion in CPS which became one of CH's direct competitors for master teachers.
 3. 2016 CH retention increased to 68% after implementing a new compensation plan and schedule for master teachers in 3-5.
 4. 2017 retention was increased to 71%.
 5. According to the voluntary exit interviews conducted with transitioning employees personal reasons, unsatisfactory wages, and lack of advancement remains the most common reasons for departure.
- **Strategic Plan Goal** 90% staff agrees/strongly agrees that their opinions matter.
 - Based on annual employee survey results, CH is doing the best in the following areas:

1. I know what is expected of me at work	98%
2. CH lives out its values of Commitment to excellence	92%
3. Sites are clean and presentable	91 %
 - **Strategic Plan Goal:** Increase sustainability through developing future leaders and creating succession plans for 20% of management positions.
 - The Bridgespan Project - Developing future leaders - Lori and the Leadership Team are working on developing competencies for employees and leadership throughout the organization and create development plans to help build leaders internally.
 - **Strategic Plan Goal:** Develop a competitive compensation and benefits package.
 - The goal of the compensation policy is to retain high performing employees and attract quality candidates, develop a plan that allows to CH to be competitive within our marketplace, the flexibility to recognize high performing employees, recruit those who align with our mission and develop leaders.
 - Engaged external experts, to help develop a compensation plan based on data
 - Newport Group assisted in obtaining market data on CH's 36 positions, impacting 205 of the budgeted positions.
 - Adjusted compensation to bring all employees compensation to meet the minimum amount of the range. Also adjusted compensation for high performing staff of 2 high turnover positions.
 - Next steps for the compensation plan:
 1. The Leadership team will develop criteria to assist high performing employees' movement through the ranges of the plan.
 2. FY19 budget budget will include resources for Leadership Team to make salary adjustments based on criteria.
 - Extending the current strategic plan through FY19:
 - Thomas O'Neill proposes the board vote on extending the strategic plan to FY19. Motion to approve made by Jordan Hadelman, seconded by Dee Dee Chesley and carried unanimously to extend the strategic plan through FY19.

Finance Committee Report presented by Katheryn Steward

Year to date financials:

- CH drew down on the line of credit with Bank of America, \$150,000 on October 18, 2017 replaced the draw on October 23, 2017.

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- Line of credit is due to be renegotiated at the end of January. At that time Adnan and Katheryn will see if it is possible to receive any more favorable terms with Bank of America.
- Overall for the first quarter of the year, YTD loss of \$446k, compared to budgeted loss of \$529K. CH results are \$84,000 favorable to budget.
- FY17 Audit - Plante Moran presented and the audit was accepted by the Finance Committee. In the auditor's opinion the consolidated financial statements presented fairly, in all material aspects, the financial position of Christopher House as of June 30, 2017. The examination disclosed one material noncompliance in that students' records did not include the name, signature, and position of the person who added the information or the date of its entry into the records. This noncompliance has been corrected. The examination also disclosed one significant deficiency citing lack of review for items classified as multi-year foundation grants. This deficiency has been addressed and the corrective action plan implemented.

Progress on the Development of the Middle School presented by Robert Buono

- Capital Campaign fund balance is \$2.45 million and approximately at 85% board participation to date.
- CH staff and board have Identified 39 Foundation/Corporate prospects and 71 individual prospects. Of these, 16 are new prospects.
- Board members are asked to provide 3-5 potential investors to help build list of prospects.
- Christopher House leadership continues to engage the Alderman in our construction project.

Commented [LS1]: Earlier in the document we say 100% board participation

Board Development Report presented by Lori Baas

- The Board Development Committee continues to make progress on our strategic objectives.
- The Committee has a pipeline of prospects and requests board assistance and continuing to identify leaders at corporations and to increase diversity.

External Affairs Committee Report presented by Penne Silverman and Dee Dee Chesley

- Year to date CH is at \$462,188 and \$46,000 over FY 17.
- The speaker event that took place at the end of October was a success with 50 guests and 16 new potential investors. Staff are implementing follow-up cultivation plans,
- 7 upcoming funding proposals and 6 donor engagement opportunities were shared with the board with a request to help engage donors.
- The 28th Annual Benefit will be April 26, 2018. Chairs are Tony Chimino and Dan Lynch. Auction Chair is Lizzy Whitehorn. Honorees include:
 1. Corporate Citizenship Award: CME
 2. Volunteer Impact Award: Holland and Knight
 3. Family of the Year: Nomination and selection in process

Thought Leadership presented by Penne Silverman and Lizzy Whitehorn

- Over the first three months the partnership with MSI has finalized branding talking points, created an editorial calendar and produced 5 thought leader content opportunities.

- Considering extending the retainer with MSI for the first quarter. This will be discussed in the next board meeting in January.

Motion was made by Jeff Kemerley, seconded by Dan Lynch, and carried unanimously to adjourn the meeting with no new business.

The meeting was adjourned at 7:37 PM.