

Homeless Solutions, Inc.

Board of Trustees Meeting

Black Horse Tavern

Minutes

Tuesday, December 14th, 2021

Present: George Goldman (Chair), Dan McGuire (CEO), Colleen Bondy, Warren Estey, Mike Gayda, DaVon Gorman, Mary LeBlanc, Diane Mann, Sally Mulligan, Gary Pancoast, Georgia Papatomas, Ryan Spencer, Lee Taurman, Darla Wilkinson, Ling Yin, Megan Young.

Also Present: Stephanie Cicale, Wes Gaynor, Awilda Perez, Chris Schuette, Christine Sutherland, Kari Szary (via phone).

Excused: Rob Schmitt, Steve Schroeder, Buddy Scott.

The meeting was called to order by George Goldman, Board Chair, at 8:29 pm.

VOTE: Minutes of the September 28th Board meeting were presented for approval. A motion was made and seconded, and the minutes were approved.

CEO Report

Dan McGuire/Kari Szary

Organizational Sustainability: Dan reported that a tour for County Human Services staff was conducted on October 19th. George Goldman and Diane Mann also joined the group, which included Wes Gaynor, Christine Sutherland and Emily Legg. The next step is a follow-up meeting, hopefully in January, to explain the resource/capacity imbalance that the current system presents and why it is unsustainable. A third meeting is anticipated a few weeks later to explore possible solutions. In response to an inquiry from Ryan Spencer, Dan explained that the data about our shelter outcomes (presented in the board package) was not shared with the County staff in October. It would be included in the January presentation to the County.

Dan stated that the retreat mandate to retain an organizational consultant has been slow to develop. A committee of Georgia, Lee, Dan and Kari (with engagement from George as well) has been formed to oversee this process and has drafted a charter for this position. It will be shared with the rest of the Board upon completion. Lee Taurman and Stephanie Cicale suggested that the Corporate Advisory Council (CAC) might be a good place to look for leads. Lee shared that last Friday's CAC meeting was quite productive on the topic of the consultant. Ling Yin suggested that Executive MBA programs may also be a good resource.

Organizational Health Pillar: Kari asked if there were any questions or comments on the Organizational Health Update included in the Board packet. In response to Darla

Wilkinson's question, Kari responded that the DEI consultants referenced in the package are Praxis Matters, comprised of faculty from the University of Cincinnati.

There were no questions for Kari on the draft vaccine mandate that she had distributed earlier to the Board.

Dan shared that Wes Gaynor is looking into purchasing rapid tests for the Shelter. The hope is that state funding for testing may soon be available.

Dan also reported that a salary reset was recently completed at the Shelter, which was extremely well received by the staff. Dan has also authorized bonuses for top performing staff, totaling \$61,000 (inclusive of a "grossing up" to account for the tax impact). The bonus range was from \$1,500 to 11,000.

A Resolution for Appointment of Officers of the Corporation and Related Entities was introduced by Dan.

VOTE: The Resolution for Appointment of Officers was approved.

Sustainable Budget

Warren Estey

Warren Estey stated that Homeless Solutions received a clean opinion on the independent auditor's report, which is great news and reflects well on Christine Sutherland.

Fundraising continues to be the main driver of the favorable financials. The organization continues to be very disciplined on the expense side. As anticipated, the \$555,000 PPE loan was forgiven. Additional unbudgeted positives include a \$200,000 grant received from Bank of America [note: \$100k in 2021 and the rest in 2022], and a \$100,000 bequest. The budgeted \$200,000 deficit for 2021 is now expected to be closer to break-even.

From a liquidity perspective, the equity markets have performed well, pushing the equity:fixed income ratio of the HSI portfolio out of balance with our prior target range. This will require a rebalancing of the HSI portfolio. The 2022 budget is in the final stages and will be presented to the Board in January.

A discussion of the 401(k) match for employees ensued, and Dan provided background for new board members. Years ago, a generous donor had made the case that HSI and other nonprofits needed to do better for their workers in terms of retirement savings. HSI heeded the call and is now providing a 6% match for staff. There is 90% participation among permanent staff. Each year the match level needs to be approved by the board, and in years where the budget is not presented in December, we ask the board to approve the retirement match separately. This is especially helpful for the payroll process but is also good for morale.

VOTE: The board voted unanimously to continue the 401(k) match at 6% in 2022.

Committee on Trustees

Darla Wilkinson

Darla Wilkinson welcomed the four newest Board members (DaVon Gorman, Sally Mulligan, Ryan Spencer and Ling Yin) to our first in-person board meeting since they joined. Darla reviewed COT's examination of upcoming terms that are ending. George and Diane have indicated a willingness to be considered for a 3rd term. Buddy Scott's final term is up in June. COT members will reach out to a few other board members that will be up for term renewals to ascertain their interest in another term. The Board needs to continue to grow the pipeline for new members, and Darla encouraged the Board to have diversity front of mind. Darla also thanked Stephanie for all her hard work on the committee.

Expand Fundraising

Mary LeBlanc

Mary LeBlanc shared that \$182,000 has been raised so far from A Night in the Cold (ANITC). The goal of \$275,000 was set before the Event Manager resigned in the fall. Given that untimely setback, we are feeling pleased that we were still able to beat last year's total.

Ashley Montesano, Annual Giving Manager, is focusing on the Annual Appeal, which has raised \$371,000 so far, with a target of \$650,000.

We currently have 11½ Family Angel Network (FAN) sponsorships for families in transitional housing. This includes some pending December renewals [Update: these have been secured by Stephanie!]

\$380,000 of the \$500,000 goal for the Next Level Project has been raised from 9 donors, including \$100,00 from Impact 100. Dan added that HSI also received \$100,00 from the NJ Department of Community Affairs (DCA), so we have almost met our goal.

Stephanie announced that Kathleen Humphrey has been hired as the new Event Manager and will start on December 20th.

George stated that the Board will soon need to discuss the organization's \$3+ million in assets, as those funds were entrusted to HSI by donors to use to help the homeless and not sit in an investment account. Lee remarked that the transition in the last four years has been amazing. HSI is now much less dependent on government funding. Warren urged the Board to think more aggressively about how to use available funds to help those in need.

Expand Impact

Diane Mann

Diane Mann began by noting how the relationship with the County has changed, as it appears that they now need us more than we need them. The data compiled by Wes and Emily in the board package was compelling. Due to Coordinated Entry, we now house people with the most severe issues. Our motto "A Hand Up, Not a HandOut" conveys our historical focus on those who are most likely to have a successful transition to permanent

housing. This is not reflective of our current demographics. Diane believes we have a strong case to make to the County that the current situation is unsustainable.

The Ruth Davis Drive (RDD) project is behind schedule, due to factors beyond our control. Awilda Perez shared that 16 of the 32 units are occupied, six of which are Rapid Rehousing tenants. Dan said that the shortage of applicants is a sign that the eviction moratorium and other federal rescue initiatives (vouchers) are working. The partnership with Family Promise has been strained by COVID, though there was a productive offsite session in November with key staff from both organizations that was directed by Joanne Spigner, our board retreat facilitator. A discussion ensued about possible other uses for the empty units at RDD, such as transitional housing. Warren and Lee floated the idea of housing veterans. George cautioned that the eviction moratorium will soon end, possibly resulting in a flood of applicants to RDD.

Awilda noted that once the moratorium is lifted, HSI will not be able to evict for nonpayment if tenants self-certify that the pandemic adversely affected them. (We can pursue back rent through the courts, though it may not be worth the effort) We are allowed to move to evict for reasons unrelated to rent, and we are pursuing this with at least one household.

The Next Level Project has seen significant progress, and Wes reported that the Warming Center should be up and running by mid-January.

The meeting was adjourned at 9:30 pm.