

The Masonic Home for Children at Oxford, Inc.

Board of Directors Meeting Minutes Cobb Center & Virtual Meeting via Zoom

November 8, 2024

A meeting of the Board of Directors of the Masonic Home for Children at Oxford was held this date at the Cobb Center and broadcasted virtually via Zoom.

Board/Committee Members Present: Chairman Speed Hallman, Vice Chair David Wicker, Secretary Tracy Armwood, Treasurer Luther Starling, Jr., GM Rob Rideout, Kathy Johnson, Steve Norris, Kenneth Small, Jason Ross, Tony Cozart, Eddie Gaskins, Archie Martin, Phil Johnson, Dan Rice, Johnny Surlles, Sarah Moore, Mike Register, Grayson Hollowell

Observers & Guests Present: Gilbert Bailey – Observer, Bill McMillan, Carlos Velez; John Burns, Jonathan Underwood - NCMF

Staff Members Present: Kevin Otis, LuAnne Clark, Amy Still, Gabriella Wheat, Alvin Billings, Thomas Boyd, Tabatha Boyd

Board Members Absent: Kim Lyda, Don Kehler

Chairman Speed Hallman welcomed all in attendance and Mr. Steve Norris delivered the opening invocation. Chair Hallman announced the passing of MHCO committee member, Mr. Art Skipper. A card was passed around for the board to write their condolences to the family.

Chairman Hallman then entertained a motion to accept the minutes from the August 9, 2024 as presented. Motion seconded and carried.

Mrs. LuAnne Clark opened discussion for the **Financial Development Committee** and went over the Financial Report for the 3rd quarter. Mrs. Clark reported that gifts were above the 10 year and 5 year average every month during the quarter. Legacies in the amount of \$42.1K were received during the month of July, \$760.8K during the month of August, and \$297.1K during the month of September. Mrs. Clark then reported that many events took place during the 3rd quarter including Public Service Appreciation Day and the Great Wolf Lodge trip. Upcoming events include the MHCO Thanksgiving Luncheon November 27th, MHCO Christmas Donor Event December 14th, and the York Rite Christmas Observance Ceremony December 15th. Mrs. Clark then presented the 3rd quarter 2024 Revenue Breakdown report and noted that unrestricted/expendable funds are down \$600K from this same time last year. Mrs. Clark stated that she is unsure if this difference is due to the push for donations last year through the 150th campaign or if the difference is a result of MHCO receiving more restricted/designated gifts this year as compared to last year. Mrs. Clark shared that planned giving has exceeded budgeted expectations now being over \$28K than what was projected. Mrs. Clark is hopeful that more donations will be received during the holidays. Mrs. Clark then shared that financial development is continuing to discuss ways MHCO can obtain new donors and retain current donors. Mrs. Clark then went over the Planned Giving Summary report and stated that the Home is still awaiting distributions from a few estates. Mrs. Clark noted that over \$1M has been received from the Ward estate and MHCO was expecting an additional \$500K by the end of 2022. MHCO has since been waiting for the Wake County Clerk to approve these distributions. Mrs. Clark reported that MHCO's attorney has been in touch with the accountant and the current delay is waiting for the final tax filings. MHCO expects to receive this final distribution by the end of the year. Mrs. Clark then shared that the Eudy case is still in progress with the final round of depositions to take place November 21st. Lastly, Mrs. Clark noted that MHCO has been left as

beneficiary of several IRAs and trusts. Mrs. Clark continues to fill out paperwork for these accounts. Just recently MHCO received \$14.9K in July and \$28.2K in September from the Phillips IRA. MHCO expects a third account from this estate to be transferred to MHCO in the coming months. MHCO is also expecting to receive approximately \$120K from the Chapman IRA in the coming weeks. Mr. Alvin then went over the Annual Giving report and stated that recurring gifts increased over the quarter by 1.5%, (about 465 donors) at an average of \$45.74 per donor which equates to \$63.5K for the quarter. Direct donation amount to \$34.6K for a total of \$98.2K for the 3rd quarter. Of the donations received 21 were from new donors. Mr. Billings announced that the year-to-date total is \$186.7K in recurring gifts and \$165.8K in direct donations for a total so far for the year amounting to \$352.6K. Mr. Billings shared that the word-of-mouth furniture campaign has raised \$170K to date. On September 14th MHCO received furniture for 65 rooms. The original campaign request was for \$100K. Additional monies not part of the original campaign ask will be used to purchase furniture for MHCO's Independent Living Cottages. Mr. Billings announced that Mr. Johnny Surles has been managing a campaign for MHCO to purchase a side-by-side. So far \$6K out of the \$13K asked for has been received. Mr. Billings reported that MHCO's new website was unveiled in May and so far, MHCO has received rave reviews regarding the new interface being more engaging, informative, and user friendly. Mr. Billings shared that using monies from a donor and the Google Ad Grant that was awarded in the amount of \$10K, has allowed Marketing and Events Coordinator Mrs. Charlie Roberson to begin working with a digital marketing consultant to establish the Home as one of the top organizations listed in Google's search engine when certain keywords are searched. Mr. Billings shared that the next issue of the NC Mason will be asking for yearend donations. The 2025 calendar is being printed and should be out by Thanksgiving. Over the quarter Mr. Billings reported that he has made 23 presentations in front of over 1K people. Mr. Billings added one of these presentations was at the annual Shallotte Lodge 727 Cruise In which resulted in almost a \$10K donation. Mr. Billings continues to reach out to potential sponsors. Just recently Mr. Billings has been in touch with Brother Page Skelton of Cakalacky BBQ Sauce and Mr. Lynn Williams, Director of PR at Mt. Olive Pickles. Mr. Billings then shared that MHCO continues to market through radio, television, and social media. MHCO commercials are advertised through WGHP Fox 8 in High Point, WCNC-CBS17 in Raleigh, and WECT-6 in Wilmington. New commercials are scheduled to be aired at the beginning of 2025, and MHCO will discuss plans for streaming commercials at this time. Lastly, Mr. Billings shared that MHCO continues to receive donations from the Chuck Olsen Foundation as the book, *From the Basement to Rose Garden* are sold. Mr. Olsen laid down his working tools on September 21st. MHCO has been made a beneficiary of one mutual fund account. Mr. Olsen's widow, Ms. Liz Olsen, is planning on maintaining his foundation and will keep promoting the book. Mr. John Burns provided the **Foundation** report and shared that development staff continue to work hard on behalf of MHCO. Mr. Burns concluded the Financial Development report and shared that the Foundation's quarterly distribution amounts to \$104.7K and so far, not counting the 150th donations the Foundation has raised about \$135-140K in cash for the Home and around \$3.5M in planned gifts. Mr. Gilbert Bailey asked Mr. Burns if there is documentation noting the rules and regulations/responsibilities between the development team at the Home, WhiteStone, and the Foundation. Chair Hallman responded that there is an MOU in place with the Foundation with regards to the 150th campaign, however, revisions are now needed and this is something that should be reviewed.

Chair Tracy Armwood reported for the **Policy & Personnel Committee** and shared that since the previous board meeting MHCO has hired a Maintenance Worker. One resignation took place during the quarter. Program Assistant & Food Services Manager, Mrs. Kat Jeffries resigned August 16th. An exit interview was unable to be conducted. MHCO has since filled this position. MHCO intern, Ms. Darauna Davis has accepted the Program Assistant/Food Services Manager position and began employment September 3rd. MHCO continues to recruit CCW's. Turnover at the end of August was

10.6%. Turnover is reportedly better this year as compared to last year at this same time, which was 29.67%. Turnover continues to be the highest in Program. MHCO is planning to send out employment surveys through Survey Monkey by the end of the month to fulfill annual accreditation requirements. Chair Armwood stated that she is looking forward to those survey results. Chair Armwood then presented MHCO's 2025 Retention Plan. Chair Armwood stated that the plans' overall goal is to reduce staff turnover and to increase staff morale. MHCO is reportedly still working on the plan with staff. Chair Armwood shared that a 3% cost of living increase has been included in the 2025 budget as well as contingent salaries and benefits for an Annual Fund Director, two CCW couples, one Supervisor Clinician and an additional recreation employee. Chair Armwood also noted that the budget includes the new CEO position with a 6 month overlap and the COO position. A 10% increase for health insurance premiums has also been included. Chair Armwood shared that the Finance Committee did approve the budget. Chair Armwood then shared that HR Specialist, Dr. Mason has submitted job descriptions with ADA requirements, however, more work is still needed to get the descriptions where they need to be. Dr. Mason continues to work on this. Lastly, Chair Armwood concluded her report stating the committee's focus continues to provide support to the Search Committee and push for an independent third-party to conduct a thorough employment engagement survey with staff.

Chair Luther Starling opened discussion for the **Finance Committee** and began discussion for the 2025 MHCO budget proposal and shared that there was great concern going from the 2023 budget to the 2024 with MHCO being in a deficit. Mr. Starling stated that there is even more concern going into the 2025 year from 2024. Mr. Starling reported that MHCO has budgeted for more than what is coming in. Mr. Starling noted that this was the case going from 2023 to 2024, however, MHCO managed to pull through with luck of some major planned gifts. Mr. Starling stated that he is very concerned MHCO's luck is going to run out, even as MHCO sits at record breaking equity, at \$29.8M at the end of September. Mr. Starling shared that MHCO is having to spend much more than anticipated for the search of MHCO's next Administrator and the budget is asking for a 3% cost of living increase for all staff. Mr. Starling again reiterated that MHCO is facing the same dilemma when passing the 2024 budget, and that is MHCO spending more than what is coming in, and this year especially with the additional costs associated with trying to find the next Administrator this is a real challenge. Chair Hallman chimed in and stated every year there is a conversation of budgeting on faith, and so far, every year things have worked out. Chair Hallman also shared his concerns of MHCO's luck potentially running out with regards to receiving enough donations and legacies. Chair Hallman stated that he went through the numbers numerous times after the Finance Committee meeting, and he stated that he wants to make sure MHCO's revenue targets are appropriate and MHCO has the correct mechanisms in place to hit those revenue goals. Chair Hallman stated he wants to make sure MHCO is prepared to do what needs to be done to meet revenue targets. Chair Hallman then proposed that the Executive Committee meet December 18th to hear further report from the Finance Committee regarding the proposed budget and then act on the budget at that time. Mrs. Clark then went through the budget in detail and noted that about \$330K (42%) of the proposed budget increase is directly related to costs associated with the search for the next Administrator, which is a one-time cost. Mrs. Clark also shared that another large component of the increased budget proposal is the fees associated with the NCMF. Mrs. Clark reported that without these two additional items added to the proposed budget the proposed budget would only be up 4% more compared to the previous year, including the 3% salary increase for staff. Mr. Tim Merritt asked how many staff are employed under the Annual Giving Officer, Mr. Billings, and asked if donations being brought in by Mr. Billings' department covers the salaries of those individuals. Mrs. Clark responded that three individuals are currently being supervised by Mr. Billings and the monies being brought in by Mr. Billings' department have exceeded those individuals' salaries by \$30-\$40K for the 3rd quarter ending balance. Search Committee Chair Mr. Dan Rice chimed in and

stated that the Home is looking to potentially replace current Administrator, Mr. Kevin Otis with two people an Administrator (CEO) and a COO. Mr. Rice reminded the board that the CEO would be the main face of the organization and would be traveling the state and possibly even the country asking for donations and promoting the Home on a regular basis. The COO, however, will be on campus running the day-to-day operations of the Home. Mr. Rice stated that with the onboarding of the CEO and COO he anticipates consolidation of current positions. GM Rob Ridout then spoke up and stated this is the pivot year for the Home. This is where MHCO finds where the costs benefits are; where deficiencies lie, and where MHCO can expand. GM Ridout stated that the decisions the board makes today will determine the future outcome of MHCO tomorrow. After some board discussion Mrs. Clark agreed to bring more documentation related to return on development to the next Executive Committee meeting scheduled for December 18th. Motion was then made to give the Executive Committee authority to act on the 2025 MHCO budget at the next Executive Committee meeting. Motion seconded and carried. Mrs. Tabatha Boyd will send out the Executive Committee meeting invite and Finance Committee invite once a date is determined along with requested documents. Mrs. Clark then presented the proposed SGA budget to the board and stated that there is a 1% increase in expenses to the proposed budget. It was noted that the increase does include a 3% salary increase for staff. Mr. Eddie Gaskins asked if there are any comparisons of SGA's expenses and revenues from previous years included in the board documents. Mrs. Clark responded that there are none included in the board packets. Chair Hallman asked that these comparisons be brought to the December 18th Executive Committee meeting. Motion was then made to give the Executive Committee authority to act on the budget for SGA at the next Executive Committee meeting December 18th. Motion seconded and carried. Mrs. Clark then delivered the investment numbers for the 3rd quarter. Investments with the Foundation had a quarter-ending balance of \$29.8M. Mrs. Clark noted that the balance currently sits at \$30M today. Assets are diversified between the stock fund and income fund currently at a ratio of 73% stock and 27% fixed income. Funds with Edward Jones had a quarter ending balance of \$5.8M. Mrs. Clark then went over the 3rd quarter finance report and shared that income for the 3rd was above budget projections and is also above actual revenue received in the previous year at this same time, including the quarterly budgeted draws from investments. Income for the 3rd quarter of 2024 was \$159K more than the income of the 3rd quarter of 2023 and total operating expenses for the 3rd quarter of 2024 were \$209K more than the 3rd quarter of 2023. Income for the year through the end of the 3rd quarter is 6.5% (\$295.1K) above projections. Operating expenses through September 2024 were \$202.2K (-4.3%) below budget. Several capital improvements were made during the quarter totaling \$241.1K. MHCO ended the 3rd quarter with revenue exceeding expenses by \$23.5K. SGA ended the quarter with a deficit of \$22K. It was noted that SGA's deficit at the end of the 3rd quarter of 2024 is less than the deficit at the same time in 2023 by \$41.2K.

Mrs. Clark reported for the **Audit Committee** by announcing that she sent five requests for audit proposals. Out of five sent, two MHCO never heard from. One responded with some questions and a request for documentation. The company responded and stated that unfortunately they did not have the time or the staff to complete MHCO's audit. Two other companies were contacted, one is MHCO's previous auditor Bernard Robinson and the other is Earney Accounts and Advisors out of Wilmington, NC. Both companies are offering the same services but at different price points. Bernard Robinson is offering a 3-year proposal fee schedule and Earney Accounts and Advisors has offered only one year. For the 2024 Audit the total Bernard Robinson would charge is \$28.75K. Earney Accounts and Advisors gave MHCO a quote range between \$30.1K-\$35.1K. Mrs. Clark also noted that there is a different lead person at Bernard Robinson this year. Mrs. Clark reported the committee is recommending Bernard Robinson to be the auditor for the ensuing year. Motion was made to approve this recommendation. Motion seconded and carried.

Chair Dan Rice opened discussion for the **Search Committee** and shared that the committee has been working with MHCO to prepare the search for the Home's next Administrator. Preparation includes searching for headhunter organizations, updating and modifying job descriptions and the organizational chart. Two headhunter organizations' proposals have been received. One is from Moss and Ross out of the Raleigh and Chapel Hill area and the other is from Armstrong McGuire and Associates out of Durham. Discussions with the committee are on-going and they hope to have a headhunter organization selected by the end of the year.

Dr. Tony Cozart delivered the **Program Planning Committee** report announcing that the current census is 57 with 35 in Direct Care and 17 in Independent Living. MHCO has had 8 admissions and 2 discharges since the previous board meeting. Dr. Cozart shared that residents continue to participate in numerous extracurricular activities provided by the school and community. Dr. Cozart shared that the Community Support center (CSC) continues to do great things and is a wonderful resource to the community, serving 672 individuals so far this year. Dr. Cozart is very excited about the possibilities of this program and is looking forward to what is to come in the near future. Ms. Gabi Wheat then presented the 3rd quarter PQI report for approval. Motion was made to approve the report as presented. Motion seconded and carried.

Chair Rob Rideout opened discussion for the **Nominations Committee** and presented the proposed 2025 board member and 2025 committee member list for approval. After some discussion motion was made to approve the 2025 board and committee nominees as presented. Motion seconded and carried.

Chair Johnny Surles reported for the **Homecoming Committee** and shared that Homecoming took place October 11th-13th and overall, the festival was a success. The weather was beautiful and MHCO had a great turnout. After the festival MHCO staff debriefed and suggestions will be used for next year's event.

Mr. Kevin Otis opened discussion for the **Vision Committee** and shared that the committee discussed the Strategic Plan which traditionally should be done in March, however, the committee agreed that the next Administrator should be part of the next Strategic Planning session. The Annual Plan will continue to be reviewed and MHCO hopes to have the next plan available for approval in February. Mr. Otis then presented the Grant Report and noted that two grants recently submitted have been declined. Grants declined were from the Granville County Foundation and Wells Fargo. MHCO will reevaluate these grants and possibly resubmit their ask at a later date. New grants awarded include a Google grant worth \$10K a month for advertising for 6 months; a grant awarded from Arby's worth \$14.1K to refurbish three independent living apartments; and a grant awarded from Universal Leaf Foundation for \$5K to be used for general support operations. Mr. Gilbert Bailey asked if future grant reports could specify if grants are for cash or if they are in-kind gifts. Mr. Otis agreed this change would be made. Mr. Otis reported that MHCO is currently preparing for COA. Work teams have been established, and they are preparing to review standards and MHCO policies. Stakeholder surveys are expected to go out in March and the preliminary self-study will be submitted in April. The COA site visit will be conducted September 15th. Mr. Otis shared that training with the board will begin in the next couple of weeks.

Chair Kathy Johnson reported for the **Marketing Committee** and shared that she is proud to announce that the committee will meet two of their strategic planning goals by the end of the year. Chair Johnson shared MHCO is continuing to work with Ambassadors to make sure they have what they need to promote MHCO in their communities. MHCO is starting to boost their Facebook posts to reach more people. Facebook boosts can cost anywhere from \$1 to \$5 a day and the committee

will be utilizing funds set aside for marketing purposes to do this. The committee will review the analytics in February to see if paying to boost their posts has created more buzz on social media and more traffic on the MHCO webpage. Chair Johnson shared that MHCO continues to receive great feedback from users regarding the new MHCO webpage, and MHCO has received many referrals through the site. SGA is still working with the site developer to set up an ecommerce platform. Chair Johnson shared that MHCO is also continuing to track and log calls that come in for donations and referrals. Lastly, Chair Johnson reported that MHCO continues to market through radio and television commercials, and they hope to begin advertising through streaming services and I-Heart media in the new year.

Mr. Thomas Boyd delivered the ***School of Graphic Arts*** 3rd quarter report and shared that SGA is excited to announce the expansion of new services being offered to include laser engraved items. Laser engraved items were offered at Annual Communication and during MHCO's Homecoming Festival and they seemed to be well received by attendees, with orders flowing in from all over the state. Mr. Boyd reported that SGA currently has four residents actively participating in the Kid\$Earn program. Mr. Boyd announced that he is excited about SGA's new service offerings, and he is looking forward to the new year and hopes SGA can get the ecommerce site up and running and can acquire a Riso Printer to help improve overall efficiency and productivity.

Mr. Johnny Surles opened discussion for the ***Safety Committee*** and Mrs. Clark announced that MHCO has been working with their IT vendor TenPlus and Security Resource Officer, Mr. David Adcock to figure out where new cameras should be located on campus. MHCO has met with a few vendors and has decided to work with a company that MHCO's IT vendor has worked with in the past. The new camera system will cost approximately \$140K to install and MHCO hopes to get the project started early next year if this portion of the budget is passed in December. Mrs. Clark noted that the company chosen also allows expansion of the system to include key fob and card access doors in the future.

Mr. Otis then touched on several topics from the ***Administrator's Report*** as follows:

- Gala planning is in progress. The committee Chair is Mrs. Susan Wicker. The gala will take place June 21st at Amran Temple. Mr. Otis asked the board to help solicit table sponsors.
- Mr. Chris Richardson with the NCMF had a visit on campus with the Walston Taylor family who provided MHCO with an endowed gift to go toward costs associated with residents' dental needs.
- The Calvin Rodgers BBQ award presented during the MHF went to Keller Memorial Lodge #657 and the Big Peaches Peoples Choice Award went to Smokin' Santa's Cue Crew
- Mr. Otis went over important dates to remember which include MHCO's upcoming Annual Christmas donor event and luncheon will be Saturday, December 14th and on the following Sunday, December 15th MHCO will hold its Annual Christmas Observance Ceremony
- Mr. Otis reported that MHCO needs to solicit a contractor to repair the SJAB front porch. Mr. Otis has asked the board for help to find a contractor.

Chair Hallman then recognized offboarding board members Mr. Merritt, Mrs. Johnson, and Mr. Jason Ross.

GM Rob Rideout gave closing remarks and Chair Hallman adjourned the meeting at 12:46pm

Next meeting to be held on Friday, February 14, 2024 @ 9:00 at the Cobb Center.

Minutes prepared by *Tabatha Boyd*