

The Masonic Home for Children at Oxford, Inc.

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

August 9, 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 Don Kehler, Kathy Johnson, Steve Norris, Rob Rideout, Kenneth Small, Eddie Gaskins, Archie Martin, Kim Lyda, Phil Johnson, Dan Rice, Johnny Surlles, Joey Transou, Anthony Sessoms, Sarah Moore

Observers & Guests Present: Gilbert Bailey, Dawn Rochelle, 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: Jason Ross, Dr. Tony Cozart

Chairman Speed Hallman welcomed all in attendance and thanked everyone who attended the board retreat held on the previous day. Mr. Eddie Gaskins then delivered the opening invocation. Chair Hallman then welcomed and introduced Granville Commissioner and MHCO Liaison, Mr. Carlos Velez.

Chairman Hallman then entertained a motion to accept the minutes from the May 10, 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 2nd 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 \$472.8K were received during the month of April and \$120.6K during the month of May. There were no legacies received during the month of June. Donations without planned or designated gifts were all above the 10- and 5-year average during the quarter. Mrs. Clark then reported that many events took place during the 2nd quarter including the Baccalaureate Service and the end of the school year Block Party. Upcoming events include the Spencer Pool Party, Eureka Charity Ride, Great Wolf Lodge trip, Annual Communication, and the Masonic Homecoming Festival. Mrs. Clark then presented the 2nd quarter 2024 Revenue Breakdown report and stated that donations and gifts are below compared to this same time last year. Mrs. Clark attributes MHCO's 150th Anniversary to being the reason for last year's increased numbers. Mrs. Clark noted that withdrawals from the endowment are higher this year as the Foundation has started sending this quarterly distribution straight to MHCO's checking account. Mrs. Clark then presented the Planned Giving report. Mrs. Clark stated that the Home is awaiting distributions from a few estates. MHCO has received a partial distribution of \$18K from the Barker estate on March 26th; \$20K more was received from this estate after the report was written. Mrs. Clark shared that MHCO received \$120K May 20th from the Chalk estate. Mrs. Clark shared that MHCO expects a partial distribution of \$600K from the Gore estate within a few weeks. It was reported that a check for this estate was mailed and tracked to MHCO, however, the check got lost in transit and was returned back to sender. MHCO is still awaiting this distribution. Mrs. Clark reported that she continues to complete and submit paperwork for a few life insurance policies and IRA accounts in which MHCO was left as a beneficiary. Just recently MHCO received

\$14.9K from an annuity and MHCO is expected to receive \$120K from an IRA. MHCO attorneys continue to work on the Eudy case. The will for the Eudy estate had been recovered and it stated that Mr. Eudy's son, daughter, and nephew were to receive \$20K each with MHCO receiving the residuary of the estate. The inventory of the estate is valued at approximately \$5M. Mr. Eudy's son and daughter are contesting the will. Depositions have been taken and MHCO is awaiting next steps. MHCO attorneys have concluded that if the case goes to trial, it is 50/50 on who will win the case. Winner of the case will obtain the estate in its entirety. The family's counsel has reached out and shared that they would like to negotiate a settlement rather than go to trial. Mr. Otis stated that he is not sure at this time what they are offering. Mrs. Tracy Armwood asked how much has been spent on attorney fees for the case. Mrs. Clark responded that about \$40K-\$50K has been spent on attorney fees so far. Mr. Otis asked that the Executive Committee be given authority to settle the case. Motion was made to give the Executive Committee authority to settle the case. Motion seconded and carried. Lastly, Mrs. Clark shared that she expects legacy donations to exceed budgeted amounts by the end of the year. Mr. Alvin Billings then went over the Annual Giving report and stated that recurring gifts increased from 457 at the end of the 1st quarter to 464 at the end of the 2nd quarter. Total donations received during the quarter amounted to \$124.3K. Of the donations received during the quarter, 13 were made by new donors. Mr. Billings shared that the word-of-mouth furniture campaign has raised \$131.3K to date. The original ask was for \$100K for new furniture for Direct Care cottages. MHCO is realizing a potential receipt of \$150K. Additional monies not part of the original campaign ask will be used to purchase furniture for MHCO's Independent Living cottages. The furniture is expected to be shipped mid-late August and delivered and installed September 14th. Chair Hallman asked board members who have not already done so to donate to the furniture campaign to get board giving to 100% by the end of the year. Mr. Billings stated that MHCO received the donated ATV at Seaside Lodge No. 429 in Swansboro on July 8th. Mr. Billings then shared that MHCO's new website went live mid-May. The website has had really good reviews, being more attractive and user friendly. The web designer and SGA have been working to create an e-commerce site for the print shop. Mr. Billings shared that the Black-Tie Gala coordinated and planned by Mrs. Charlie Roberson was deemed a success, with net donations totaling over \$30K. The Financial Development team will debrief and begin planning next year's event. Over the quarter Mr. Billings has worked with several Ambassadors to set up presentations and has made 23 lodge/shrine club visits. MHCO/SGA had a booth at the Shriners Imperial Session in July. SGA received two reorders and quite a few inquiries. MHCO hopes SGA business will be worth the trip. 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. 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. John Burns provided the Foundation report and shared that development staff continue to work hard on behalf of MHCO. Mr. Burns shared that the quarterly distribution amounts to \$104.7K for a year-to-date total of \$209.5K. Mr. Burns shared that Foundation staff are working to secure more donors. Mr. Burns informed the board that although the Foundation's new investment counselor Captrust is not in attendance, they are willing to come and introduce themselves to the board whenever MHCO would like. In closing, Mr. Burns presented a check to the Home in the amount of \$2.5K on behalf of Captrust.

Mrs. Clark reported for the ***Real Estate Committee*** and shared that Chair David Carmichael is going to view the property in Bakersville, NC that was left to MHCO. This property is located on the side of a mountain. Recent visits to the property found that the road has now been graveled making the property more accessible. Chair Carmichael will be reaching out to a local realtor to see if adjacent neighbors of the property are interested in purchasing. Mrs. Clark then shared that an appraisal was conducted on the property located in Cary, NC. Appraisal on the property came in at a little

over \$1M. Mrs. Clark noted that the value is down compared to what the property appraised for 20 years ago, at \$3M. The property has reportedly been devalued due to an easement. The property is owned by MHCO and two other beneficiaries. At the time of the appraisal 20 years ago the other two beneficiaries did not want to sell. Mrs. Clark shared that the beneficiaries are now wanting to sell, so MHCO is going to work on sale of the property. Mrs. Clark then shared that MHCO inherited a property in Creedmoor in the late 60's. Located on the property is a house that is in disrepair. The ac unit, pipes, and wiring have been stolen out of the house. MHCO tried to have the fire department burn the house many years ago, however, they would not do it, potentially due to the harm of asbestos in the house. Recently a couple has approached MHCO interested in moving the house off of the property. Mrs. Clark stated that she is unsure what they are willing to offer for the house, or what the house is even worth. Mrs. Clark stated the house is insured but does not have water or electricity. Mrs. Clark stated that the land is in a prime location. Sale of the property came before the board many years ago, but they were not wanting to sell at the time. The couple that approached MHCO is willing to move the house and pay for the costs associated with the move. Vice Chair David Wicker asked how old the house is to see if the house may hold historic value. Mrs. Clark responded that she is unsure of the exact age but estimates the house to be about 100 years old, but reiterated that the house is in bad shape. Vice Chair Wicker stated that MHCO currently has no use for an offsite house. MHCO is paying taxes and insurance on the house, and the house being vacant and in disrepair is a liability to the Home currently. Vice Chair Wicker stated that if the couple who are interested in the house are unable to have it moved that the board should consider having the house demolished, which would remove the liability of the house and MHCO would no longer have to pay the insurance costs of the house. Removal of the house from the property is expected to increase the value of the property also. Motion was made to authorize the Real Estate Committee to allow the person's interest in the house to remove the house in its entirety including the foundation. Motion seconded and carried. A motion was then made to have the house located on the property demolished if the interested individuals choose not to or are unable to have the house moved. Motion seconded and carried. Lastly, Mrs. Clark shared she received a bit more information from the individual wanting to attach a sewer line on the back of MHCO's property. Mrs. Clark reported that the project has not been approved by the city as approval is contingent on finalizing the sewer route. Mrs. Clark reported that the sewer easement would be the standard 20 foot wide as required by the city. Sewer line size will be determined by the city and would be owned by the city. Mr. Norris shared that he is unsure why they are wanting to place the lines in the middle of MHCO's property. Mrs. Clark responded that she will clarify the exact location, and if the location is in the middle she will ask if the lines can be placed on MHCO's property line instead. Vice Chair Wicker noted that the proposal has not yet been submitted to the City Planning Committee as he is Chair of this committee and has not seen the proposal. Mr. Luther Starling chimed in and shared that MHCO is a beautiful historic property, and he cautioned the board on approving the easement as it's not something that can be undone. Vice Chair Wicker also reminded the board that the easement on the Cary property has devalued the property and is currently one of the issues preventing sale of that property.

Chair Tracy Armwood reported for the ***Policy & Personnel Committee*** and shared that since the previous board meeting MHCO has hired one new CCW couple. MHCO continues to recruit for CCW's and a Maintenance Worker. MHCO has interviews scheduled for the maintenance position and they hope to hire someone soon. MHCO had two resignations during the quarter including a CCW couple and the Archivist. Exit interviews are conducted and reviewed for feedback on why employees decide to resign and how MHCO can retain employees in the future. Turnover at the end of July was 9.1%. Turnover is reportedly better this year as compared to last year at this time, which was 16.7%. Turnover continues to be the highest in Program with CCW's. Chair Armwood then presented the CEO and COO job descriptions to the board for feedback. Chair Armwood shared

that the essential functions of the job and core responsibilities have been solidified, however, MHCO is still working on the finer details of the positions. The committee will not be seeking approval for these positions at this time. Chair Armwood then presented the Annual Fund Coordinator job description and shared that this position is one that is also a work in progress. Chair Hallman chimed in and shared that more work needs to be done regarding development of this position and approval will be tabled at this time. Chair Armwood asked that any feedback regarding the CEO and COO job descriptions be sent to Policy and Personnel and/or the Search Committee. Chair Armwood then presented the Organizational Chart draft to the board. The chart depicts the staffing organization of the Home with the addition of the CEO and COO positions. Chair Armwood stated that the committee is not seeking board approval for the presented Organizational Chart at this time. Chair Armwood then presented the By-Laws draft for approval. Chair Armwood noted updates to the By-Laws include committee responsibility regarding review of MHCO policies and procedures and the By-Laws as well as semantic changes. After some discussion motion was made to approve the By-Laws as presented. Motion seconded and carried. Chair Armwood announced that the committee's focus includes a comprehensive staff survey and development of an executive management evaluation process for the Home's executive leadership. Chair Armwood shared she is going to task the committee with developing this. Lastly, Chair Armwood stated that the committee will continue to work on job descriptions and work closely with the Search Committee.

Chair Luther Starling opened discussion for the **Finance Committee** and began by praising Mrs. Clark for all of her hard work and expertise. Mr. Starling then went on to say that despite challenges MHCO is doing well financially, with almost \$28M in the bank. Mr. Starling noted that although friends of the Home leave legacy gifts, MHCO is in need of new donors to keep operations going. Mrs. Clark then delivered the investment numbers for the 2nd quarter. Investments with the Foundation had a quarter-ending balance of \$28.4M. Funds with Edward Jones had a quarter ending balance of \$5.4M. Mrs. Clark then went over the 2nd quarter finance report and shared that income for the 2nd quarter is slightly below budget projections and less than the amount received last year at this same time. Income is 1.4% (-\$42.3K) below projections and total operating expenses for the 2nd quarter of 2024 were \$68.2K less than the 2nd quarter of 2023. At the end of the 2nd quarter general public donations (-\$14.3K), masonic donations (-\$78.3K), investment income (-\$137.7K), grants (-\$20K), 150th donations (-\$110.3K) and printing income (-\$13.6K) were below budget. The following with their respective amounts were above budget; Masonic Foundation (\$59.6K), legacies (\$68.3K), DSS per diem (\$49.8K), legacies (\$68.3K), recurring/annual giving (\$146.4K), and calendar donations (\$8.6K). Mr. Eddie Gaskins asked why the DSS per diem monies are over budget as compared to last year. Mrs. Clark responded that MHCO has had more DSS children than what was budgeted for. Mr. Gaskins asked how much is received per child from DSS. Mrs. Clark responded that monies received from DSS differ based on resident age, but usually monies received amount to about \$100 a day per DSS child. Mr. Tim Merritt asked how many residents are through DSS. Mr. Otis responded that about 20% of MHCO's population is currently residents in DSS custody. Mrs. Clark then shared that expenses in all departments are below budget with the exception of maintenance and administration. Maintenance is 6.4% (\$25.2K) over and administration is 14.2% (\$80.3K) over budget. Three capital improvements totaling \$9.6K were made during the quarter. MHCO ended the 2nd quarter with expenses exceeding revenues by \$141.9K. SGA ended the quarter with a deficit of \$13.6K. SGA is up \$4.1K in revenue at the end of the 2nd quarter as compared to this same time last year. Mrs. Clark noted that SGA is in need of new equipment and stated that when the machines are down productivity stops, and SGA loses money. Mrs. Clark reported that SGA Manager, Mr. Thomas Boyd, will be working with Mr. Dan Rice to discuss cost effective measures SGA can take to increase productivity. Mrs. Clark then reported that medical, dental, and life insurance had renewed; effective June 1st. BCBS medical coverage renewed

with the same coverage at a 2% premium cost increase. Dental, vision, and life insurance continued with principal. The plan renewed with a 4.9% increase. Coverage remains the same.

Mrs. Clark reported for the **Audit Committee** by announcing that she has sent out about five requests for audit proposals. Mrs. Clark stated that the committee will return in November with a recommendation.

Mr. Kevin Otis delivered the **Program Planning Committee** report announcing that the current census is 52 with 35 in Direct Care and 17 in Independent Living. MHCO is currently looking to hire one more CCW couple. Mr. Otis announced that MHCO is about to open the Transitional Living Cottage Bemis for female residents aged 16-19. Mr. Otis anticipates the census to increase with this cottage opening and MHCO's relationship with Job Corp. Job Corp frequently refer residents in this age group to MHCO for placement. Mr. Otis reported that one serious incident did occur during the quarter. Mr. Otis shared that there was a physical altercation between two residents that resulted in one resident suffering a fractured jaw. Mr. Otis stated that MHCO may have to discharge the resident responsible for the incident. Mr. Otis then reported that since the previous board meeting residents have participated in numerous campus activities and extracurricular activities. Regarding education, Mr. Otis reported that residents finished the 2023-2024 school year in June. Average campus GPA is 83%. Over the summer residents participated in resident education programs and summer enrichment activities. Mr. Otis shared that out of the 17 Independent Living residents, 12 are on the education track and 16 are employed in the community. Mr. Otis reported that the community support center is continuing to grow and provide services to the area. In the 2nd quarter, 14 groups and classes were held providing services to 348 individuals. To date, the CSC has served a total of 427 individuals, 22 groups and classes, and 8 individuals have obtained tangible items and resources through the center. Lastly, Mr. Otis presented the 2nd 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 announced that the committee had a great discussion regarding potential candidates for next year's board and committees. The committee will continue to vet potential candidates, and the committee will be asking for approval to fill seats for 2025 at the November board meeting.

Chair Johnny Surles reported for the **Homecoming Committee** and shared that Homecoming is quickly approaching. Chair Surles reported that the committee met and determined how much meat to order for the BBQ teams. Chair Surles shared that the BBQ brochure is now available and MHCO is finalizing who the BBQ judges will be. So far MHCO has 15 BBQ teams competing that will be cooking. BBQ and BBQ sides will be provided for a donation. Chair Surles shared that bands for the event have been booked and MHCO will be working to finalize Homecoming plans. Chair Surles asked Board Members to consider volunteering and helping MHCO to find volunteers. Chair Surles concluded his report thanking Mr. Joey Transou for agreeing to provide all the BBQ sides on Homecoming Day.

Mr. Kevin Otis opened discussion for the **Vision Committee** and went over the 2024 2nd quarter Grant Report and noted that 13 grants applications have been submitted, 3 applications are in progress, and 8 are being planned. Mr. Otis then presented the Grant Metrics Summary and shared that during 2023 MHCO was awarded 7 grants out of 9 submitted applications, for a total of \$109K awarded. So far this year MHCO has been awarded \$36.5K. Mr. Otis shared that MHCO continues to follow-up on grants that were denied and cultivate those relationships. Mr. Otis then presented the Grantor List and asked that the Board review the list to see if they may have any connections with any of the grantors listed. Mr. Otis then reported that COA is quickly approaching and stated

because of the demands that come with that, PQI Director, Ms. Wheat will be focusing much of her time on this rather than the grant writing. MHCO has already begun taking steps to begin the reaccreditation process that will take place in the Fall of 2025.

Chair Kathy Johnson reported for the **Marketing Committee** and shared that Marketing and Event Coordinator, Ms. Charlie Vaughn has done an excellent job revamping MHCO's social media and now the new MHCO webpage. The webpage went live last quarter and is more attractive, engaging, and user friendly. Ms. Vaughn and Mr. Billings are working on creating digital 'thank you' messages for donors to be emailed and posted on social media and the webpage. Chair Johnson shared that MHCO continues to track digital impressions to find out MHCO's reach and how callers have heard about MHCO. This will help MHCO conduct target marketing in the future. Chair Johnson announced that committee member Mr. Scottie Sigmon is going to be working to create a QR code for each lodge in the State. The QR code will direct users to donate online. Chair Johnson reported that MHCO continues to work with Ambassadors across the state to provide them with the marketing materials they need to continue to market the Home in their community and wherever else to go. Another Ambassador webinar will be scheduled soon as well. Chair Johnson shared that only a few districts in the State are still missing an Ambassador. Chair Johnson shared that the committee is continuing to use feedback from analytics to adjust their marketing through their webpage and social media posts. Lastly, Chair Johnson shared that MHCO continues to not only market through their website and social media but also through their television and radio advertisements with reach spanning most of North Carolina. Mrs. Armwood asked if MHCO has a LinkedIn account. Chair Johnson responded that MHCO does not have a LinkedIn or Twitter account. Mrs. Armwood encouraged the Home to create a LinkedIn account as it is a tremendous professional account to have and would be good for recruitment.

Mr. Thomas Boyd delivered the **School of Graphic Arts** 2nd quarter report and shared that SGA is excited to see the continued increase in Grand Lodge printing over the last two quarters. SGA currently has 9 different residents participating in the Kid\$Earn program. Four of these residents plan to continue working at SGA once school is back in session. Mr. Boyd then shared that over the quarter he and Mrs. Tabatha Boyd and Mr. and Mrs. Billings had the privilege to advertise for MHCO and SGA at the Shiners Imperial Session in Reno, NV. SGA made some really good connections in Reno, which Mr. Boyd is hopeful will turn into future business for the Print Shop. Mr. Boyd announced that with the OOAA donation to SGA the shop plans to expand their services to include laser engraving. Mr. Boyd hopes that the items SGA can provide with the laser cutter and engraver will be a hit with customers. Mr. Boyd concluded his report by stating that SGA will be focusing on leveraging their new connections and expanding their service capabilities.

Mr. Johnny Surles opened discussion for the **Safety Committee** and shared that MHCO has been meeting with security system vendors and they are currently awaiting a quote for a camera system. Mr. Surles shared that he is excited to announce that an ATV was donated to MHCO over the quarter to help MHCO's Security Resource Officer to better patrol the farm area of campus which can sometimes be difficult to navigate, especially during or after heavy rains.

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. Chair Rice shared that the nationwide search will begin after the start of the new year.

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

- Mr. Otis reiterated that two grants totaling \$30K were received during the quarter.
- Four residents formed a golf tournament and played at the Fellowship 687 Golf Tournament during the quarter.
- Baccalaureate went well. Event speaker was Alum Shayne Witaker who provided a personal message on the importance of the Home and perseverance.
- PSA Day was a very successful event.
- Troutman Awards Ceremony celebrated the final semester of the school year. Ten students earned Honorable Mention, nine earned Honor Roll, and three earned "A" Honor Roll receiving straight "A's."
- The Black-Tie Gala resulted in a net return of \$31.2K. MHCO and Financial Development are working on plans for next year's event.
- MHCO was honored to present at the Summer Assembly of the Grand York Rite in Maggie Valley.

Vice Chair Wicker stated that he appreciates the opportunity to serve the Home and he thanked all the Board Members for all that they do.

GM Don Kehler concluded the meeting and also thanked everyone for their work and he reminded the board that at the next meeting the board will be reviewing the next year's budget. GM Kehler stated that he wants the board to recognize that it's going to take some money to keep MHCO operational. GM Kehler added that the Home has been in operation for over 150 years and to continue to do this great work MHCO will have to spend money. GM concluded the meeting by thanking everyone again and shared that he looks forward to conducting more business in November.

Chair Hallman adjourned the meeting at 12:07pm and called for Executive Session. After reconvening the meeting, action items from the executive session were communicated appropriately.

Next meeting to be held on Friday, November 8, 2024 @ 9:00 at the Cobb Center.

Minutes prepared by *Tabatha Boyd*