

The Lord's Place  
Finance Committee Meeting  
UBS Corporate Office  
January 31, 2019  
Minutes

Attendees: Robert Katzen (Chair), Robert. Barrett, Janet James, Frank Nask, Diana Stanley (ex-officio)

Staff: Toby Douthwright, Debbie Breen, Keenyn McFarlane

The meeting was called to order at 8:35 AM

B. Katzen motioned to approve the minutes as presented for the November Board meeting. The motion was seconded by B. Barrett.

B. Katzen then made a motion to approve the minutes as presented for the December Board meeting. The motion was seconded by J. James.

The minutes for both meetings were unanimously accepted.

A discussion of the December statements followed, including a question of whether TLP staff had concerns about Fundraising being low in December. D. Stanley explained the timing of receipts is not reflected in the December numbers, and there was no concern over meeting the fundraising goals for the month, though we want everyone to keep pressing toward the annual goal.

Following more discussion, B. Katzen moved for the approval of the December financial statements. B. Barrett seconded the motion, followed by the Committee's unanimous vote to approve.

The discussion turned to other topics including D. Stanley's mention of client services likely to increase as TLP looks to expand service delivery - e.g. hotel/motel costs over the next 12 months. B. Katzen recommended for the CFO and Controller to consider this factor as TLP prepares next year's budget.

B. Barrett asked whether TLP has approached motels for reduced rate for guaranteed nights to which D. Stanley responded affirmatively.

B. Barrett inquired about a specific hotel property on Broadway that TLP had previously explored for possible purchase. D. Stanley replied that the owner is not interested in selling the property.

F. Nask asked whether specific revenue has been secured to offset the growth in salaries noting the increase of 560K from last year. Controller, D. Breen explained that some of the increased salaries are paid by grants and others, including administration are uncovered in the current budget year, and have to be absorbed by general fundraising dollars.

COO, T. Douthwright added that there are also some costs related to client services that are a result of additional program growth that are unfunded in the current budget, so it is critical to continue to meet or exceed our fundraising goals.

B. Katzen added that in strategic plan, the Social Enterprise task is to become profitable and raise revenue to offset growth and budget strain. He noted that second Thrift Store is slated to open in March 2019.

The Committee continued the discussion on the future of Social Enterprise and its role within mission of TLP.

B. Katzen turned the discussion to capital expenditures. He suggested the need to revisit TLP policy and the authority given to the CEO to make capital outlays while confirming what activity or threshold of expense requires Board approval.

The Committee agreed for the need to develop policy and perhaps establish a matrix for the CEO and/or Board approval, including activity that may be “on strategy” or “off strategy” with an approved Strategic Plan.

The discussion continued to elaborate on operating needs and planning for further discussion at a future finance committee meeting, including development of policy for Board approval.

Next, the Committee reviewed the framework for the projected investment of the UBS portfolio. CFO, K. McFarlane explained the context for analysis and approach shared with the Committee, followed by a discussion of the model’s assumptions, budget needs, the planned capital campaign, and debt as a resource tool for the organization. The Committee agreed on direction to provide to UBS regarding the TLP portfolio liquidity strategy.

Following the liquidity and investment planning discussion, T. Douthwright suggested revisiting the Board policy mandating an operating reserve. F. Nask asked if TLP analyzes the impact on homelessness during recessionary times and whether we factor such assumptions into our fiscal planning model. This question led to a robust discussion of sustainability and rainy day funds as part of operating and investment planning and spending from the earnings on investments.

At this point, TLP investment advisors from UBS (S. Hutcheon, J. Lansing, and P. Lansing) were invited to join the meeting. The guests facilitated a brief discussion on the strategy to leverage a “CD-ladder” approach based on Cash Need analysis reviewed by the committee. UBS was directed by the Committee to structure the portfolio investments to meet the liquidity needs as outlined and as will be communicated using the cash need analysis going forward.

The UBS advisors were then excused from meeting.

Lastly, there was an unstructured conversation about liquidity, custody of funds, and other approaches to cash management for the emerging capital needs of the organization and investments stemming from large donations and estate gifts to TLP.

With no further business, B. Katzen adjourned meeting at 9:45 AM

Respectfully Submitted,

By Keenyn McFarlane, CFO

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