

Martin House, Inc.
Board of Directors Meeting
July 17, 2019
At Martin House

AGENDA

1. Review of Minutes
2. President's Report
3. Executive Director's Report
4. Committee Reports
 - a) Finance – Gayle O’Neill
Investment – Bob Fusari
 - b) Development and Public Relations – Theresa Madonna
 - c) Governance - Theresa Madonna and Marilyn St. Onge
 - d) Facilities – Mike Bennett
5. Old Business
6. New Business
7. Adjournment

Next Meeting: 5:30 p.m., September 18, 2019 at Thames River

MISSION: To provide a nurturing community where individuals of limited income who have been alone, alienated, fearful, and dispossessed can develop healthy relationships, new dignity, and a renewed life. Our community will include people recovering from mental illness and addictions.

This mission is accomplished by providing dignified housing, nutritious food, a safe, caring environment, and supportive services for 54 men and women who seldom experience any of these.

Martin House, Inc.

June 19, 2019 Minutes

Meeting opened at 8:19 pm at Thames River

Present: *Mike Bennett, Deb Eskra, Theresa Madonna, Bob Fusari, Ornet Hines, Gayle O'Neill, Louise Summa, Keith Lee*

Participated by phone: *Marilynn St. Onge*

Excused: *Nancy Roberts, Mathew Lisee, Margaret Sabe*

Staff: *Paula Oberg, Astrid Aalund*

Minutes from May 15, 2019 accepted.

President's Report - No report

Executive Director's Report - See report

- Bathrooms, A/C and Phones are being worked on, Flooring will be next.
- Flyers are available regarding the Board Portal.
- The Martin House Anniversary Celebration will take place July 1st at 5 p.m. Chef Edward Allen and his staff will again be serving. Please come and enjoy!

Committee Reports:

Treasurers Report – Gayle O'Neill:

- Balance Sheet looks good. An Operating Reserve Policy was recommended with the initial goal of three months' operating funds, approximately \$306,000.
- Business Money Market account opened at Liberty Bank with initial deposit of \$7,499.99. Account will earn 2.5% interest until at least April 2020. Additional funds will be transferred when new signers are added.
- Gayle presented an Operating Reserve Policy which was reviewed by the Finance Committee. A motion was made, seconded and approved to accept the policy with changes.
- Gayle presented a Financial Policy which was reviewed by the Finance Committee. A motion was made, seconded and approved to accept the policy with changes.
- Gayle presented the proposed MH Budget for the coming fiscal year. After review a motion was made to approve the budget, seconded by Bob Fusari, and passed.

Governance Committee – Theresa Madonna:

- See Governance Committee Report. Theresa nominates Carol Whitham and Ellen Crichton to the Board of Directors, seconded and approved.

- Theresa nominated Keith Lee to a second year term and nominates Classes 2020, 2012, and 2022 as indicated in the report, and nominates Bob, Mike and Marilyn for another 1 year term, seconded, approved. Marilyn nominates Theresa Madonna for another 1 year term, seconded and approved.
- Theresa nominates Nancy Roberts for new fiscal year Board President, Matt Lisee for Vice-President, Ornet Hines for Secretary, Gayle O'Neill for Treasurer and Deb Eskra for Past President, seconded and approved.
- There will be a Board Retreat August 21st, to be held in a conference room at Three Rivers Community College. There will be a guest speaker, plans being finalized.
- Deb Eskra suggests that the ED be invited to attend Governance meetings, other than Board retreats.

Facilities Committee – Mike Bennett – No report

Old Business –

Documents are now on the Portal and accessible. Draft status of documents on the portal will be more defined. A flyer is available.

Board Calendar - Deb emailed the Board Calendar draft to Board Members and Paula. Additional items were added. It will be amended and emailed out.

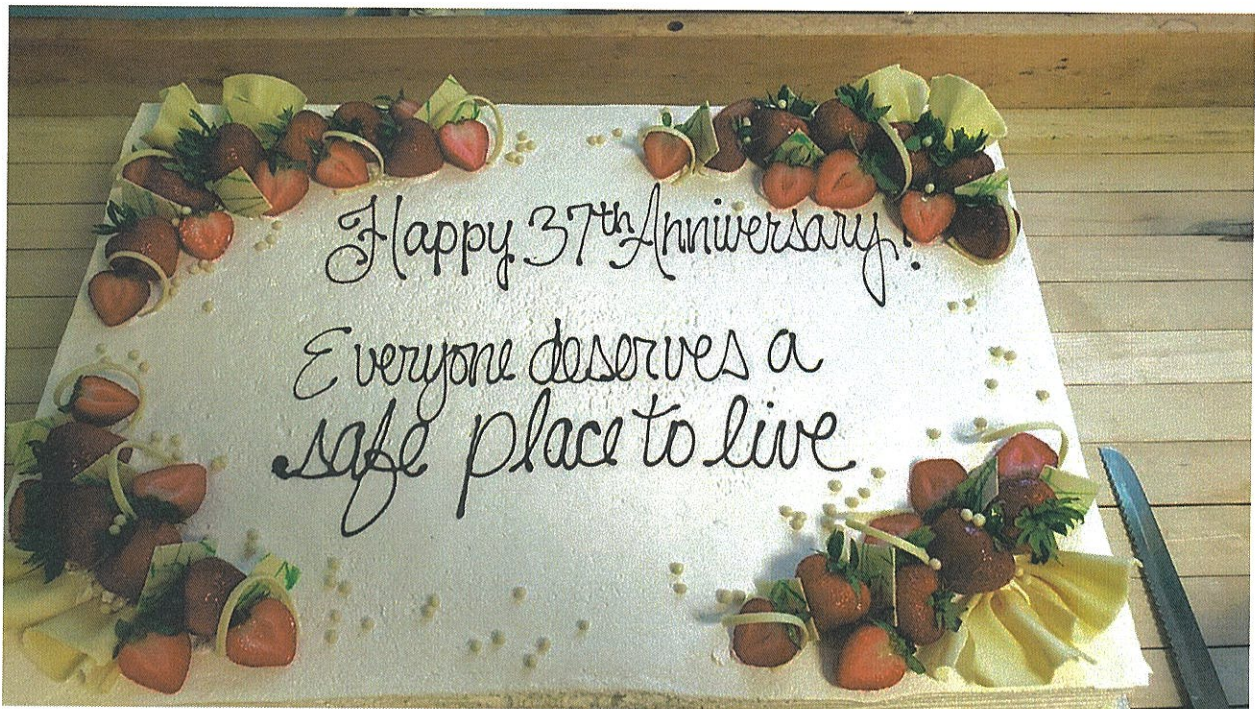
New Business - None

Meeting adjourned at 8:58pm.

Respectfully submitted,
Astrid Aalund

Martin House, July 2019 Executive Director's Report

Much of the last two weeks of June was spent preparing for the Martin House 37th Anniversary. The weather cooperated, residents enjoyed lounging on their new patio furniture, staff did some last minute landscaping and we all "cleaned up". We had a special guest. Tom Hyland and his wife attended and Tom presented some memorable stories from days past. Our dinner, courtesy of Foxwoods Resort and Casino, Chef Edward Allen and his staff, all old friends of Martin House, put on quite a spread. It was delicious. The Anniversary cake was custom made, see attachment, and inscribed, "Everyone deserves a safe place to live". It was out of this world tasty! Before Foxwoods provided for the Anniversary we had a budget of not more than \$1000 for the anniversary. It is estimated that the value of the meal Foxwoods provided would have cost about \$2,500, certainly out of reach for our budget. In addition they always leave extra food, disposable dishware and serving pans, we can add another \$1000 to the total donation. Thank you to many of Board members who were able to celebrate with us. Residents really enjoy showing you their gratitude.



United Way of Southeastern Connecticut Development staff and camera crew came to Martin House to include us in their annual campaign video, currently in production. Video only, no audio, they started by filming Jeff Hamilton, United Way Campaign Co-Chair and Assistant General Manager at Mohegan Sun, walking into Martin House. Jeff was then filmed serving breakfast to Martin House residents and staff in the kitchen. Let's see how far we get after the edits!

Facilities updates- As with all remodeling we take two steps forward and one step back. We are currently on hold for delivery of shower stall replacements. Preparation for new drains in place. The contractor has advocated for us to get a few more shower enclosures than originally ordered. Once he began investigating he discovered a few more repairs to add to the list. Phones are in and we are still practicing the new system, so please be patient.

Development-Since last meeting we have received "Your Cause" matching gifts, \$100, and grants from Eastern Savings Bank, \$1,000 for floor waxing and Liberty Bank, \$3,000 Adult Education/Employment. Cara-Lynn and I have met and drafted a development timeline for the next several months. We will be scheduling a Martin House, Board Development Committee meeting at our Board meeting 7/17/19.

Many staff are taking their vacations, this is the best time of year to do that. Despite that we are doing well with the day to day Martin House business. Because our air conditioning was repaired sitting in the lounge, dining room and community room is a welcome relief from the heat. Seems like we are in a phase of take a breath and relax, anxious to see how long that lasts!

Respectfully,
Paula Oberg

**Martin House Proposed Budgets
w. Current Year Projections**

	18/19 Year End Projection	18/19 Budget	Proposed Budget	Proposed Budget vs. Year End Projection	Comments
Revenue					
Contributions	62,000.00	75,500.00	71,300.00	15.00%	
United Way	123,958.00	120,542.00	120,846.00	-2.51%	
Grants	39,000.00	46,000.00	44,850.00	15.00%	
Emergency Food & Shelter Fund	0.00	3,000.00	3,000.00		
Recovery for Life	615,843.50	610,420.00	619,620.00	0.61%	
Program Fees	358,473.00	362,460.00	366,960.00	2.37%	Increase of \$10/month for residents
Special Events	20,750.00	17,840.00	21,787.00	5.00%	
Interest Income	275.00	120.00	1,000.00	263.64%	Business Money Market additi revenues Going to ask Ameriprise to quantify
Dividends and Interest Earned	21,625.80	2,400.00	0.00		
Unrealized Gains/Losses	25,389.71	0.00	0.00		
Vending Machines	2,785.00	3,450.00	3,000.00	7.72%	
Unemployment Refund	10,943.52	0.00	0.00		
Total Revenue	1,281,043.53	1,241,732.00	1,252,363.00		Revenue budget increase of \$11K

Martin House
2019/2020 Budget Comparison

Expense	18/19 Year End Projection	18/19 Budget	Proposed Budget	Proposed Budget vs. Year End Projection	Comments
Salaries	764,325.00	778,157.00	784,439.00	2.63%	
Payroll Taxes	55,748.00	59,500.00	57,250.00	2.69%	
State Unemployment	4,619.76	5,500.00	4,965.00	7.47%	
Workers Compensation	32,252.30	30,100.00	33,542.00	4.00%	
Insurance Benefits	69,427.45	86,460.00	81,791.00	17.81%	Reflects estimated 10% increase
Retirement	17,298.12	15,940.00	17,514.00	1.25%	
Legal & Accounting	11,673.00	10,600.00	12,025.00	3.02%	
Payroll Services	5,508.30	4,935.00	5,620.00	2.03%	
Bank and Investment Fees	281.10	3,400.00	300.00	6.72%	
Line of Credit Interest	0.00	300.00	0.00		
Computer Service	17,208.29	17,050.00	16,350.00	-4.99%	Telephone project now complete
Consultant	0.00	450.00	0.00		
Supplies	22,246.54	23,880.00	22,396.00	0.67%	
Communications	9,256.47	6,780.00	9,450.00	2.09%	
Cable	1,764.60	1,475.00	1,800.00	2.01%	
Postage	2,006.45	3,130.00	2,100.00	4.66%	
Maintenance & Repair	23,699.00	12,400.00	14,000.00	-40.93%	Mold remediation in FY19
Contract Services	2,797.78	2,880.00	2,900.00	3.65%	
Rent - Off Site Offices	5,328.00	5,220.00	5,740.00	7.73%	
Equipment	4,377.61	4,800.00	4,520.00	3.25%	
Printing & Advertising	2,757.47	5,000.00	3,020.00	9.52%	
Publications	364.00	225.00	400.00	9.89%	
Transportation - Non-Owned	22.10	50.00	0.00	-100.00%	
Transportation - Owned	1,645.67	3,000.00	2,000.00	21.53%	
Transportation - Leased	15,374.21	15,325.00	14,000.00	-8.94%	
Staff Education/Training	1,262.75	2,450.00	1,750.00	38.59%	
Appreciation Program	6,540.50	6,000.00	6,670.00	1.98%	
Education - Residents	12,529.34	12,400.00	13,100.00	4.55%	
Employment Program	1,758.66	2,100.00	1,900.00	8.04%	
Food	79,894.00	71,700.00	87,000.00	8.89%	Food cost are reflective of current market prices

Martin House
2019/2020 Budget Comparison

	18/19 Year End Projection	18/19 Budget	Proposed Budget	Proposed Budget vs. Year End Projection	Comments
Direct Assistance	1,172.78	800.00	1,020.00	-13.03%	
Activities	2,550.00	2,200.00	2,525.00	-0.98%	
Room Supplies	325.00	1,500.00	626.00	92.62%	
Membership Dues	0.00	400.00	250.00		
Insurance	30,942.21	38,425.00	33,400.00	7.94%	
Fundraising - Special Events	7,657.22	7,200.00	8,000.00	4.48%	
Total Expense	1,214,613.68	1,241,732.00	1,252,363.00	3.11%	Expense budget increase of \$11K
Net Revenue	66,429.85	0.00	0.00		

**REPORT OF THE
GOVERNANCE COMMITTEE
JUNE 19, 2019**

I. Re-election of Directors:

- a. The Governance hereby nominates for election to their first three (3) year term as Director: Carol Whitham, Ellen Crichton
- b. The Planning and Board Development Committee hereby nominates for election to a second three (3) year term as Director: Keith Lee
- c. The Planning and Board Development Committee hereby nominates for election to a one (1) year term Robert Fusari, Theresa Madonna, Michael Bennett, Margaret Sabe

II. Assignment of Directors to Class Years: The following is a listing of current Directors as well as their class, i.e. the year in which their current term expires, and the number of their current term (in parenthesis), i.e. zero (if completing a former Director's term), first or second three (3) year term and the number of their supplemental one (1) term if two (2) three (3) year terms have been completed:

Class of 2020	Class of 2021	Class of 2022
Robert Fusari (2+2)	Matthew Lisee (1)	Keith Lee (2)
Theresa Madonna (2+2)		Carol Whitman (1)
Margaret Sabe (2+2)		Ellen Crichton (1)
Michael Bennett (2+3)		
Debbie Eskra (1)		
Nancy Roberts (1)		
Marilyn St. Onge (2)		
Ornett Hines (1)		
Louise Summa (1)		
Gayle O'Neil (1)		

III. Nomination of Officers: The Committee hereby nominates the following as Officers for the year July 1, 2019 – June 30, 2020:

- President: Nancy Roberts
- Vice-President: Matt Lisee
- Secretary: Ornett Hines
- Treasurer: Gayle O'Neil
- Past President: Deborah Eskra

IV. Recruitment of Additional Directors: Kindly continue to consider the nominations of those who you know that may be interested in sharing their time, talent, and energy for the benefit of those we serve. (Maximum number of board members = 20)

Gayle / Tharasa

Motion

The Finance Committee recommends to the Board that we adopt the proposed Operating Reserve Policy for MH/TRFP to ensure the stability of the mission, programs, employment, and ongoing operations. These funds will remain in liquid-type accounts to ensure that they are available for sudden increases in expenses; on-time unbudgeted expenses; unanticipated loss of funding; or uninsured losses.

The Finance Committee is recommending to the Board that a target amount of 3 months of average operating cost be reserved/

Effective July 1

Motion

The Finance Committee recommends to the Board that we adopt the proposed Financial Policy. This policy is intended to define the responsibilities of the Executive Director and the Board.

Martin House, Inc. Operating Reserve Policy

Purpose

The purpose of the Operating Reserve Policy for Martin House, Inc. (MH) is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of MH for Operating Reserves to be used and replenished within a reasonably short period of time.

Definitions and Goals

The Operating Reserve is defined as an amount that should be set aside by action of the Board of Directors. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The Operating Reserve serves as a dynamic tool and will be reviewed periodically and adjusted in response to internal and external changes.

The target minimum Operating Reserve Fund is equal to three months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional service (depreciation, in-kind, pass-through programs, onetime or unusual expenses, capital purchases, and other non-cash expenses are not included). The amount of the Operating Reserve target will be calculated each year after approval of the annual budget by the Finance Committee and submitted to the full Board of Directors for approval. The status of the Operating Reserve will be part of the Treasurer's monthly report to the Board.

See Appendix A.

Accounting for Reserves

The Operating Reserve should be held in an account that is not subject to market fluctuations (fixed income) and considered liquid in nature. Operating Reserves can be commingled with the general cash and investment accounts of the organization but will be labeled parenthetically in the financial records as Board-Designated Operating Reserves.

Funding of Reserves

The Operating Reserve will be funded with surplus unrestricted operating funds. Until the reserve is fully funded, the Board of Directors may from time to time direct that a specific source of unrestricted revenue be set aside for Operating Reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.

Use of Reserves

Use of the Operating Reserves requires three steps:

1. Identification of appropriate use of reserve funds.

The Executive Director and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.

2. Authority to use operating reserves

The Executive Director will submit a request to use Operating Reserves to the Finance Committee of the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve months to restore the Operating Reserve Fund to the target minimum amount. If the use of Operating Reserves will take longer than 12 months to replenish, the request will be scrutinized more carefully. The Finance Committee will approve or modify the request and authorize transfer from the fund.

In the event of an emergent situation between regularly scheduled meetings, the Finance Committee Chair can solicit an electronic vote from the members of the Finance Committee. A favorable voting majority will be required for any action to be taken (e.g. 7 members of the Finance Committee – 4 members must vote and 3 must vote favorably).

Appendix B – Use of Operating Reserves Form

3. Reporting and monitoring.

The Executive Director is responsible for ensuring that the Operating Reserve is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the Executive Director will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the Finance Committee of the progress to restore the Fund to the target minimum amount

Relationship to Other Policies

MH shall maintain the following board-approved policies, which may contain provisions that affect the creation, sufficiency, and management of the Operating Reserve Fund.

Financial Policy (Outlines fiduciary responsibilities of the Executive Director and the Board)

Investment Policy (Outlines how and when surplus funds should be invested)

Review of Policy

This Policy will be reviewed by the Finance Committee every year in June (at minimum), or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Directors.

DRAFT

Martin House, Inc.
Operating Reserve Policy
Appendix A: Calculation of Operating Reserve

	3 months	4 months	5 months	6 months	9 months	12 month
Salaries and related Expenses	\$239,133	\$316,093	\$408,170	\$487,976	\$729,317	\$975,657
Direct Assistance	\$32,600	\$39,650	\$46,750	\$53,900	\$75,600	\$78,050
Insurance	\$5,595	\$5,595	\$7,440	\$8,175	\$32,155	\$38,425
Maintenance & Repair	\$3,600	\$4,575	\$5,425	\$6,500	\$9,300	\$12,400
Professional Services	\$6,178	\$9,065	\$10,968	\$13,330	\$20,398	\$36,735
Contracted Services	\$3,250	\$4,310	\$5,370	\$6,450	\$9,700	\$12,900
Education/Training	\$300	\$300	\$300	\$600	\$800	\$1,200
Fundraising	\$350	\$350	350	\$350	\$6,850	\$7,200
Travel	\$4,400	\$6,055	\$7,510	\$9,000	\$13,600	\$18,375
Supplies	\$6,674	\$9,203	\$11,608	\$13,908	\$20,282	\$27,010
Other	\$4,388	\$5,241	\$8,094	\$8,782	\$11,401	\$13,880
Reserve Recommendation	\$306,468	\$400,437	\$511,984	\$608,971	\$929,402	\$1,241,732

Sample information represents FY19

Martin House, Inc.
Operating Reserve Policy
Appendix B: Use of Operating Reserves Form

Date:

To: Martin House, Inc.
Board of Directors

From: Executive Director

Subject: Request to use Operating Reserves

As the Executive Director of Martin House, Inc., I have identified a short term need which requires the use of Operating Reserves. This need is consistent with the reasons outlined in the Operating Reserve Policy to ensure the stability of the mission and programs; and/or to meet the short-term obligations of the ongoing operations of the organization. The reason for this request:

- sudden increase in expenses
- one-time unbudgeted expenses
- unanticipated loss in funding
- timing of receipt of funds
- uninsured losses
- Other (explain)

The amount needed: \$ _____

The length of time funds will be required and replenished: _____

Consequences if the use of Operating Reserves are not approved: _____

Finance Committee Action: Approved _____ Denied _____
Date: _____

Martin House, Inc. Financial Policy

Philosophy

The purpose of financial management in the operation of all MH activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, MH commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

Authority

The Board of Directors is ultimately responsible for the financial management of all activities. The Finance Committee is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors. The Board of Directors shall review financial reports at each board meeting.

The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.

The Executive Director is authorized to sign checks up to \$7,499.99. Checks for amounts greater than \$7,499.99 shall require two signatures.

The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$10,000.

Financial Transactions with Insiders

No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.

In no case shall MH borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives, the Executive Director shall:

- Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Gift Acceptance

MH can accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive Director shall advise the Treasurer and/or the Board Chair of any stock given to the organization immediately upon receipt by the organization.

MH shall accept contributions of goods or services other than cash that are related to the programs and operations of MH. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

Asset Protection

In order to ensure that the assets of MH are adequately protected and maintained, the Executive Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

