

Quarterly Meeting of the Board of Directors
Ronald McDonald House Charities of Greater Washington, D.C., Inc.
Monday, September 18, 2017
VA Ronald McDonald House

Minutes

Present: Chatman, Cole, Everett, Ferrick, Hodson, Jones, Kline, Marschall, Norris, Pilson, Torres
Present by Telephone: Moyer, Rowen, Wagner
Excused/Waived: Green, Johnson, Schwartz, Woodford
Absent: Nelson
Staff: Davis, Judson, Lowe, Meyer, Mooney

Welcome and Call to Order

Vice Chair Julie Jones called the meeting to order at 11:02 A.M.

Chris Chatman thanked the Governance Committee on their efforts assembling the slate of new Board members. Chatman reminded the Board of the upcoming Board Retreat & Orientation.

Family Guest Speaker

Rosa Perez spoke to the Board about her experience at the VA house. Perez stated that being at the house has helped tremendously with both her physical and mental healing process. She stated that the home-like atmosphere and friendly staff have made this very stressful experience less stressful.

Approval of Minutes from May 22, 2017

Brad Cole made the motion to accept the meeting minutes from the May 22, 2017 meeting. The motion was seconded by Jason Everett, and the motion carried.

Report from the Treasurer

Patricia Ferrick presented to the board the amendment to the RMHCDC Investment Policy. The amendments included an update of the RMHCDC mission as listed and an additional Investment guideline addressing sustainability. Jones suggested altering the wording of the policy update to include a benchmark of maintaining a minimum of two but no more than three years of operating reserves in the investment portfolio.

Jones made a motion to accept the amendment, with the suggested changes, to the Investment Policy. The motion was seconded by Jim Norris, and the motion carried unanimously.

Ferrick also recommended, on behalf of the Finance Committee, that two Board- designated funds be created. A Property Reserve fund to be used for larger, capitalized House repairs and a Capital Expenditure fund to be used for future program growth and expansion. Both new funds would have \$250,000 initially until actual needs are more clearly defined. Ferrick noted that actual monies will not be moved from the portfolio; instead there will be a change in how these monies are recorded in the financial records.

Ferrick made a motion to accept the recommendation of creating two new Board-designated funds. The motion was seconded by Brad Cole, and the motion carried unanimously.

Ferrick reviewed RMHCDC's second quarter financials; she stated that the current financials are strong and the portfolio is performing well. Chatman noted revenue for Foundation Grants is behind by \$100,000 year-to-date and asked if there is a plan to address the deficiency. Tim Mooney discussed the grant applications outstanding that we hope to be awarded in the upcoming months, totaling approximately \$275,000.

Governance Committee Report

Harry Pilson expressed his excitement for the slate of new Board members and thanked Isaac Green for recruiting additional McDonald's Owner/Operators to serve on the Board. Pilson stated the benefit of having additional representation for RMHCDC on the Washington DC Regional Co-Op Board.

The ten recommended candidates for board membership were as follows:

- Louie Atangan
- Samira Cooke Gaines
- Guiseppe Giaimo
- Kris Grumiaux
- Barbara Johnson
- Martha Parra
- Meera Pillai
- David Schneider
- Anna Shaw
- Kari Swenson

Ferrick moved to endorse the slate of new members as presented by the Governance Committee. The motion was seconded by Scott Marschall and carried. The Board approved the slate of new members by unanimous vote.

Torres reviewed next steps for notifying the new members and explained the need for mentors. The following mentor pairings were decided:

- Louie Atangan: Sarah Wagner
- Samira Cooke Gaines: Isaac Green
- Guiseppe Giaimo: Erin Hodson
- Kris Grumiaux: Annie Moyer
- Barbara Johnson: Julie Jones
- Martha Parra: Julie Jones
- Meera Pillai: Brad Cole
- David Schneider: Chris Chatman
- Anna Shaw: Jason Everett
- Kari Swenson: Alex Kline

Programs & Operations Committee Report

Rowen reported the repairs to the DC House are complete. Dustin Davis is now working on upgrading the phone systems and completing the installation of the new playhouse. The security system implementation is complete and already proving useful. The DC House occupancy rate has increased, and now both Houses are running full. Rowen reviewed the new criteria that has been developed to determine family eligibility to stay at the RM Houses. The new eligibility criteria allows for more flexibility in accepting families based on priority rather than distance.

Erin Hodson added that the Inova Hospital social workers are also developing new criteria internally for referring families to the VA House.

Rowen then reviewed the background check policy. The policy requires any person staying in the House over the age of 18 to submit to a background check. Returning families will need to submit to background checks every two years. RMHCDC has discretion over what is considered a “failed” background check; a “failed” check can include any of the following- felony offense, sex offender, or child abuse. Any person who refuses to submit to a background check will not be allowed to stay in the House; this will not affect their family’s ability to stay. Torres explained that this policy has been in place for a number of years, but under new Global guidelines, the full Board needed to ratify the policy.

Chatman made a motion to ratify the new background check policy. The motion was seconded by Pilson, and the motion carried unanimously.

Rowen reported on the DC and VA Family Rooms. Construction of the second Family Room at Inova Children’s Hospital has been delayed due to hospital budget issues. The license for the Family Room at CNMC is due for renewal, however staffing and volunteer challenges are making it difficult to comply with RMHC Global standards: the family room cannot be open without staff or volunteer coverage. Options for the FR moving forward include permanent closure, dividing the space back into two separate rooms, or continue to keep the room open only when coverage allows. All options have been discussed with CNMC and are awaiting decision.

The FITNESS Mobile ribbon cutting ceremony has been delayed until the new MedStar Medical Director is in place. However, the FITNESS Mobile program has already started working with three partner schools; the curriculum for the program is now being finalized.

A neighbor adjacent to the DC House has requested to buy a strip of our land that is outside of our fence and unusable to the House. The neighbor is willing to pay for surveying and legal fees. The Board felt it was worth exploring further.

Development Committee Report

Jason Everett reviewed the increase in both external and internal giving trends for 2016. Everett thanked the board for their participation and fundraising efforts this year and reviewed upcoming grants. Everett also suggested a dedicated retreat be held for the Board to discuss fundraising.

Everett reminded the Board that the Development committee has lost two Board members due to resignations and will need a new committee chair next year. Torres asked Board members to keep this in mind when signing up for committees in November.

Strategic Discussion

Chatman announced there will be a consultant at the retreat in October to help facilitate and frame the strategic discussion.

Torres gave background information on the current topic for the Board to discuss: the potential expansion of the VA House. In 2015 a needs assessment was completed and several white papers were presented for program expansion. At that time the Board voted to move forward with growing the Family Room and Care Mobile programs. Now that the proper infrastructure is in place, an expansion of the VA House can be considered.

Torres explained that due to the current structure of the House it is not possible to expand upward, any expansions would have to be outward and use more land. Since the land at the VA House is leased from Inova Children's Hospital, the first step would be to approach Inova leadership for approval and then seek approval and licensing from Global. There is also the possibility to reconstruct the bottom level of the DC House to increase functionality and the general flow of the House; no major expansions would need to be done for approximately 3-5 years. The VA House expansion is the priority.

Jones commented that we have unrestricted \$11M in operating reserves and currently a \$3M operating budget. The Board will need to construct a long-range financial model, showing options of using varying amounts of portfolio funds vs raising outside capital, and include increases in the operating budget. Torres noted that the increase to the annual operating budget would be minimal. Rowen noted the expansion would essentially be a capital improvement and would allow for an improvement on operating efficiencies. Torres reminded the Board that Global provides grants for expansion of programs: 20% of the total cost, up to \$200,000. Chatman commented on different methods of funding such expansions. If the Board decides to use reserve funds, then the Board members' commitment is not as large. However the decision to conduct a capital campaign would require a much larger commitment from Board members. Erin Hodson said that Inova leadership requested that any expansion plans and construction be completed by Wilmot Sanz.

Chatman stated initial studies and estimates to determine costs need to be completed so the Board can make a decision on how to fund such an expansion. Torres reminded the Board that the \$250K Board-designated Capital Expenditure fund could be used for architect fees. Also, data must be collected from Inova to determine needs and RMHC Global requires an extensive business assessment process before issuing a license. Everett suggested presenting the topic of expansion to the new Board members prior to moving forward, to allow them an opportunity to discuss and buy into the expansion plan. Torres informed the Board that during all of her candidate interviews she informed the new members of RMHCDC's current position and potential expansion in the near future. Hodson commented that it would be beneficial to address what the current health needs for children are, to determine the needs

for expansion. Chatman stated that the staff will begin to determine which companies to request studies from and then the Board will inform and discuss the expansion with the new members moving forward. Everett requested a document be created to record the information, processes and decisions that have been made that have led to this point in the Board's discussion. Chatman agreed that a document will be sent out to the Board with background information on the potential expansion to allow members to make a decision for buy in.

Adjournment

With no further business, the meeting was adjourned at 1:18 P. M.