



Our Mission: We disrupt generational poverty through a primary focus on children & young adults and the specific challenges they face at distinct stages of life.

**Northwestern University Settlement Association
Regular Meeting of the Executive Committee**

Executive Committee members present in person: Chair Amy O'Donnell, Robert Best, Kathy Elliott.

Executive Committee members on Zoom: Sami ElSaden

Staff present in person: CEO Carole Wood, CFOO Christian Feaman, Danielle LaPointe Chief of Staff, Assistant Secretary Alison Armstead.

Amy O'Donnell, Board of Directors Chair, called the meeting to order 12:02 PM.

Amy requested for the Assistant Secretary Alison Armstead to take the roll.

Public comment

No members of the public were in attendance.

Approval of Minutes

Robert Best made a motion to approve the meeting minutes. William Welnhofner seconded the motion. The minutes were approved by a unanimous vote.

Board Chair's Report

Amy expressed her gratitude to the staff for organizing a successful Fall Fest, noting that the event looked wonderful and engaging for everyone involved. She also thanked the staff for their hard work on the Book Fair, highlighting how well-organized and visually appealing it was. Amy extended thanks to Gina Gooden and the North Shore Board for their recent efforts in organizing a fundraiser, which raised \$5,000 for the House of the Wood. She reminded the committee about the upcoming gala on November 9, where former NUSH board member Beth Boehrer will be honored, and encouraged attendance.

Amy reminded the committee of the requirement for all board members to complete their training hours. She highlighted an upcoming INCS training session on Monday, November 4, and encouraged members to sign up. She noted the importance of completing and returning Conflict of Interest forms. Amy mentioned that she had brought her own form with questions and planned to leave it before departing the meeting. She encouraged everyone to print and submit their forms.

Amy discussed the importance of streamlined communication between the board and staff. Moving forward, she requested that all board members include CEO Carole Wood in specific requests or communications with individual staff members, or direct such requests to her to prevent miscommunication or oversight.

CEO's Report

Carole Wood began the CEO report with an update of Family Cares noting that the program has enrolled 62 scholars and continues to offer individual and group therapy for both children and parents. As part of their expansion, Family Care now has therapists embedded in local high schools, including a new partnership with Noble High School. With recent certification to bill Medicaid, Family Care billed approximately \$5,000 in September, showing initial revenue growth.

The public is welcome to attend the meeting.

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Anticipated billing for food pantry services may be possible within the next year, pending a new federal law's approval in Illinois.

The Settlement recently received a consultant report that provided guidance on advancing the House in the Wood initiatives. During the fall, 140 students from three schools participated in outdoor education, impressing a visitor from IMC. IMC committed to a grant increase, offering \$500,000 for the program, up from \$400,000. The Teen Program currently serves about 25 students, including alumni who remain engaged with programming. Plans are in place to expand the program.

ECE is facing challenges in filling vacancies due to the CPS system's requirements, but efforts are underway to streamline the process by embedding CPS applications on the NUSH website. Bob Best inquired about the cost implications of filling ECE vacancies, and Carole clarified that it should not incur additional expenses. Filling current vacancies would allow ECE to fully utilize existing staff resources without additional hiring needs. Members discussed the importance of interviewing food pantry families for potential ECE students.

Family workers interview families to understand their needs, with housing emerging as a primary need among food pantry users. With the influx of new migrants, the demand for food and housing services has increased.

Carole reported on Development activities, including increased social media impressions and the Better Futures Luncheon. Development raised \$696,000 toward a \$3.1 million goal, with progress made toward Q1 and Q2 fundraising goals, aided by IMC's \$500,000 grant.

Rowe started the year with 632 students, short of the 700 goal. Staffing has been adjusted based on anticipated enrollment, and the school has been restructured into Lower (K-3) and Upper (4-8) schools. Upper School AP, Diana Smith, will leave at the end of November, and interviews are ongoing for her replacement.

The school is in the process of charter renewal, and received visits from CPS to assess culture, climate, and special education (SPED) services. Carole continued to discuss the challenges of meeting special education minutes and the impact on charter renewal. Preliminary ISBE data shows Rowe's status shifted from "commendable" to "targeted," largely due to underperformance within the scholars with disabilities (DL) subgroup. Development of targeted strategies to improve subgroup performance is a priority.

There are no small classroom options specifically for DL students; support includes both push-in and pull-out services based on IEP requirements. Meeting DL minutes has been challenging due to staffing turnover, but efforts are underway to remain compliant through appropriate notifications to parents. The school is planning to address paperwork and chain of command issues to improve compliance.

Members discussed the potential impact of the upcoming charter renewal and the need for substantial changes. Planned actions include hiring DL-certified teachers, partnering with Dominican University for bilingual staff recruitment, and supporting teachers in obtaining certifications. Efforts to increase data-driven instruction at lower grade levels (K-2) are being prioritized to address long-term performance issues.

The anticipated one-year renewal will require immediate focus on compliance and data-driven instruction to secure a longer renewal in future reviews.

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Key corrective actions include managing compliance, record-keeping, and instructional support.

Financials

Bill Welnhofner stated that he was pleased to report that the recent refinancing completed on August 1 had been successful and that the school benefited from choosing a variable rate tied to SOFR, the new benchmark replacing LIBOR. Given that SOFR had already decreased and was expected to decline further in small increments, borrowing costs were lower than originally projected. In addition, some of the recent grant numbers had been positive, further strengthening the financial outlook.

As of September, the school met its debt service coverage ratio and anticipated meeting the next quarter's target as well. From a liquidity standpoint, the school was in a strong position, holding a comfortable cash balance with no drawdowns on the revolver. Overall, the financial forecast was positive, and there was no immediate concern that would affect stability through the rest of the fiscal year.

However, Bill pointed out a few areas that might pose challenges in the future. He noted that the fundraising environment remained difficult, especially with the North Shore event approaching, as attendance and support were uncertain. Additionally, he voiced concerns about funding the teen program. The program had initially been funded by donor-restricted funds, which would eventually run out, prompting the need for a long-term funding solution to sustain it beyond its initial donations.

Christian Feaman, CFO, then provided more specific financial details. He reported that the preliminary forecast for Q2 indicated a debt service coverage ratio of about 1.4, which included a conservative fundraising goal of \$800,000—an achievable target given their recent success. He also highlighted an ongoing concern with special education funding. The school continued to run about \$700,000 over the funding received from CPS to meet special education needs. The finance team was prepared to file another special education appeal when CPS opened the application window, hoping to secure additional funds to offset the shortfall.

During the discussion, board members inquired about compliance concerns regarding special education, as these could potentially impact the charter renewal. Christian acknowledged that there was no guarantee of receiving additional funding, but the appeal could help meet some of the immediate special education funding needs.

The conversation shifted to the endowment, with updates on the recent restructuring of accounts. William Blair had transitioned to Wintrust for managing the endowment, saving approximately 50 basis points on \$9 million. While Bill expressed disappointment about ending the relationship with William Blair, he recognized that the decision to switch was financially necessary.

Bill also clarified the details surrounding a legacy fund labeled "CCT," which had consistently reported the same balance over several months. He explained that these funds, though designated for the school's benefit, did not belong directly to the school and that access to the principal balance was restricted. The school, however, was entitled to certain income distributions from this fund, which had been a source of revenue for years.

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Audit 2024

Christian Feaman, CFOO, presented the audit report to the board, beginning with an update on the audit draft that had been previously circulated. He reminded everyone that the audit was due for submission by November 1 and noted that the audit letter and representation letter would soon be sent for board sign-off.

Christian reported that the financial portion of the audit was completed without any findings. He highlighted that, for the second consecutive year, audit firm Plante Moran commended the finance team's efficiency and effectiveness, acknowledging Silvia, Tifani and Amanda for their excellent work in maintaining internal controls.

The audit included two minor findings in compliance with CPS requirements. The first finding related to the maintenance of student records, a repeat issue from the previous year. The second finding concerned board training requirements. Federal funding, including special education and Title funds, was audited to ensure proper allocation and spending. Christian confirmed that these federal audits were completed without any findings.

Christian clarified the board training requirement, specifying that board members' training is tracked on a school-year basis as per CPS guidelines. To avoid discrepancies, reminders would be issued to ensure members complete their required hours within the designated school year. Additional training sessions were noted, with one upcoming in November focusing on board succession—a relevant topic of interest for board members. Alison volunteered to send a follow-up reminder to the board about training opportunities.

Christian provided an update on the transfer of endowment management from William Blair to Wintrust. Wintrust was in the process of establishing an account for stock donations, which would enable donors to make contributions directly. The account setup was expected to complete within the week.

A question was raised regarding the foundation account listed on the balance sheet. Christian explained that the foundation account and associated assets would phase out as the wind-down process concluded. Remaining financial transitions from the foundation, including any nominal funds transferred for COVID-related expenses, would be resolved in due course. Once confirmed that the foundation holds no assets, the board will proceed with formal steps to dissolve the corporation.

The audit report concluded with general satisfaction from the board on the positive outcomes and acknowledgment of the finance team's diligent efforts in the process.

Closed Session

Amy O'Donnell reminded members of the upcoming meetings. The next Executive Committee meeting is scheduled for December 16, and the following full Board meeting will take place on November 18. Both meetings will be held in person, and Amy encouraged all members to make arrangements to attend.

With no further items on the open session agenda, Amy called for a motion to adjourn the Open Meeting and enter into Closed Session. Kathy Elliott made a motion that the Executive Committee go to Closed Session pursuant to Section 2(c)(6) of the Illinois Open Meetings Act to discuss the setting a price for the sale of property owned by the Settlement; and Section 2(c)(1) of the Illinois Open Meetings Act to consider the appointment, employment, compensation, discipline, performance, or dismissal of one or more specific employees. Bob Best seconded the motion. The motion was approved by unanimous vote. The open session was recessed at 1:25 PM and the Executive Committee went into a closed session.

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At 1:56 pm, Kathy Elliott made a motion to terminate the closed session and to return to open session. Bob Best seconded the motion. The motion was approved by a unanimous vote.

Open Session Adjourned 1:57 PM

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