



***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**

**1400 W. Augusta Boulevard  
Chicago, IL 60642  
Guild Hall**

Executive Committee members present in person: Chair Amy O'Donnell, Bob Best, Bill Welnhofer.

Board members present in person as guests: Sydney Browning, Virginia Burnstine, Tracy Rayner, Holly Sunshine.

Board members attending remotely via Zoom as guests: Kathy Elliott, Sami ElSaden, Lieke Hakkenberg, Christine Jacobek, William Rowe, Alice Schaff, Andrew Stevens, Chantel Varnado, Tyrone Washington, Claire Winnard.

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

Amy O'Donnell, Executive Committee Chair, called the meeting to order 12:03 PM.

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

A quorum of three of the five Executive Committee members were present in person.

Public comment

No public comment.

Approval of Minutes of Regular Meeting of the Executive Committee on November 20, 2023

Bill Welnhofer made a motion to approve. Bob Best seconded the motion. The minutes were approved by a unanimous vote.

Board Chair's Report

Amy began her report by welcoming the Head Start Parent Council Rep, Tracy Rayner and the new CFOO, Christian Feaman. Amy expressed gratitude to staff for their hard work on financial and legal matters.

Closed Session I

Amy then stated for time sake, we will move directly to agenda items 7 and 8. Bob made a motion to go into closed session for the purpose of (a) discussing the appointment, employment, compensation, discipline, performance, or dismissal of one or more specific employees pursuant to Section 2 (c) (1) of the Open Meetings Act and (b) discussing litigation that is pending before a court or administrative tribunal or that is probable or imminent pursuant to Section 2 (c) (11) of the Open Meetings Act. Bill seconded the motion. The motion was approved by a unanimous vote. The open session was recessed at 12:06 pm and the Executive Committee went into a closed session.

Resumption of Open Session

At 1:46 pm, Bob made a motion to terminate the closed session and to return to open session. Bill seconded the motion. The motion was approved by a unanimous vote. The open session resumed.



### Approval of GLAS Agreement

Bob made a motion that the Executive Committee approve the draft settlement letter agreement with GLAS that was attached to the Agenda, and to authorize CEO Carole Wood to execute the settlement letter agreement and to authorize the payment amount out of the corporation's general fund. Bill seconded the motion. The motion was approved by unanimous vote of the Executive Committee members present.

### CEO Report

Carole began her report by stating that Family Cares has seen an increase in enrollment, with 57 scholars enrolled. Additionally, the family support specialists are managing caseloads, and bilingual therapists have been hired to expand services. The community mental health center has been successfully launched.

Various programs such as the food pantry, emergency services, and early childhood education are ongoing. Summer camp preparations are underway, with emphasis on increasing enrichment and sports offerings.

Carole continued to state that financial goals have been set, and progress is being made towards achieving them. We've received more than \$180,000 in grants this year, with additional pending grants in the pipeline. Fundraising efforts are ongoing. The organization has been active in communications, including monthly newsletters and social media updates. Recent events, such as the community mental health center launch, have garnered positive publicity. The annual report is in its final stages and a digital version will be shared once available.

Staffing and Recruitment: New hires have been made, including the Alvin H. Baum Family Fund Vice President of Youth and Young Adult Services, Elizabeth Howard, and the Chief Financial Operations Officer, Christian Feaman and a bilingual recruitment coordinator. Despite turnover, efforts are being made to maintain staffing levels and support recruitment initiatives.

Overall, the report highlights progress in enrollment, program expansion, financial stability, communications, and staffing, while also addressing ongoing challenges and areas for improvement.

### Financials

Bill began by reviewing the NUSA balance sheet stating that as of December 31, the organization had approximately \$2 million of free cash on the balance sheet, indicating a healthy liquidity position. Despite operating challenges, the organization has effectively managed its liquid resources.

The organization is currently highly leveraged, with approximately \$8.5 million outstanding debt, even after refinancing. However, efforts are underway to reduce leverage, including a \$4 million debt forgiveness expected in July.

Bill continued his report by mentioning that a change in reporting format has been implemented to provide better visibility into the organization's performance. The new format includes reporting on a rolling 12-month basis, rather than just annual or fiscal year performance. This change was prompted by a covenant violation related to debt service coverage ratio, which occurred due to poor performance in previous quarters.

A five-year projection has been completed and submitted to Wintrust, detailing plans for addressing ongoing financial challenges. Cost reductions, including layoffs and severance payments, are anticipated to address declining enrollment and ensure compliance with covenants in future years.



The organization has been experiencing declining enrollment over the past several years, posing challenges for financial sustainability. Efforts are underway to increase enrollment, but significant hurdles remain, including demographic shifts and matriculation patterns.

Overall, the financial report highlights both the strengths and challenges facing the organization, with a focus on improving liquidity, reducing leverage, and addressing operational deficiencies to ensure long-term financial viability.

#### FY25 Financial Planning

Christian and Bill discussed the five-year financial projections and plans for initiating the debt refinance process. The team identified approximately \$1.5 million in cost reductions, primarily through personnel cuts. Efforts are underway to right-size academic and administrative staff to align with declining enrollment.

In addition to personnel cuts, the organization is reviewing all expenses, including long-term contracts, to identify further opportunities for cost savings across all departments. The organization is assessing its real estate holdings to understand their value and explore potential opportunities for leveraging or divesting assets to improve financial stability.

A conservative five-year financial projection has been completed and submitted to Wintrust. The projections include assumptions about enrollment, revenue, and expenses, aiming to ensure compliance with debt covenants.

While the debt refinance process has not officially launched, discussions with Wintrust have been initiated. The organization is confident in securing a refinance with Wintrust due to their existing relationship.

Overall, the organization is taking proactive steps to address financial challenges, including reducing costs, optimizing operations, and engaging in strategic financial planning to secure its long-term sustainability.

#### Closed Session II

Bob made a motion that the Executive Committee return to Closed Session pursuant to: 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. Bill seconded the motion. The motion was approved by unanimous vote. The open session was recessed at 2:24 pm and the Executive Committee went into a closed session.

#### Resumption of Open Session

At 2:30 pm, Bob made a motion to terminate the closed session and to return to open session. Bill seconded the motion. The motion was approved by a unanimous vote. The open session resumed.

#### Questions /Other

Amy concluded the meeting by expressing gratitude to everyone for their attendance and participation. She acknowledged the success of the mental health community center event and highlights upcoming meetings, including the next Board of Directors meeting on March 25 and the annual meeting of Members on April 9. She also mentioned that Executive Committee meetings, Audit and Finance Committee meetings, and Education Committee meetings are open to all members. Amy then called for a motion to adjourn the meeting. Bob made a motion to adjourn the meeting. Bill seconded the motion. The motion was approved unanimous vote. The meeting adjourned at 2:39 pm.

Minutes submitted by Alison Armstead