

# Meeting Agenda: Jan 8, 2020 33 members

**Pre-meeting:** The rosary was said at 7:05

- Charlie Capelli thanked the Council for its support for him in the seminary
- Marty Tomlin and Millie, Director of PA East from **Best Buddies** spoke about their organization which provides help for people with disabilities

**Call To Order: Deputy Grand Knight Ken Bucker at 8:00**

*Grand Knight* (One rap of gavel): Brothers, we are about to open this council in the first section. All persons not having received the honors of membership in the first section shall please retire from the chamber. The doors shall now be closed, and the guards assume their positions. (In their absence, the grand knight shall appoint guards for the time being.)

**Warden's Report on Membership Card: Frank Williams**

*Grand Knight:* Worthy warden, do you vouch that all present are in possession of the current membership card? (Warden salutes and proceeds to inspect membership cards.)

*Warden:* Worthy grand knight (salutes). I vouch that all present are in possession of the current membership card. (Salutes grand knight and deputy grand knight.)

**Opening Prayer: DGK**

**Pledge of Allegiance: DGK**

**Roll Call of Officers:**

*Grand Knight:* The recorder will call the roll of officers. (Two raps. The recorder calls the roll of all officers. The warden answers in his place for all officers called. As each officer is declared present, he is seated. In the absence of chair officers, the grand knight shall appoint officers for the time being.)

Grand Knight:	Bill Lahr E	
Chaplain:	Father Paschel Onunwa E	
Deputy Grand Knight	Ken Bucker	
Chancellor	Rob Hessler	
Recorder	Rich Rospond_	
Treasurer	Tim Powell	
Lecturer		
Advocate	Earl Walton E	
Warden	Frank Williams	
Inside Guard	Rich Szczurowski	Patrick Monagle E
Outside Guard	Noel Pelletier E	Josh Linden E
Trustee for One Year	Gerry Monagle	
Trustee for Two Years	Bill Gibbons	
Trustee for Three Years	Mike Dougherty	
Financial Secretary	Chuck Nicholson	

**Chaplain's Message: none**

**Approval of Minutes of Previous Meeting.**

*Grand Knight:* Are there any corrections to the minutes? They are **approved** as reported? YES

**Report of Admission Committee and Reading of Applications.**

1 new member transferred in, Jim Brennan transferred out

**Balloting for membership.** (New members, readmissions, reapplications, transfers.) None  
**Initiations.**

## Grand Knight's Report.

NONE

**Treasurer's Report:** General Fund \$9,045.40, Special Needs \$1,679.00, Charity \$178.90 Happ \$15,065.14, Fraternal \$4,500 Total as of 12/31/2019 \$30,468.44

**Reading of Bills and Communications.** 2 bills received from the State

**Financial Secretary's Report of Receipts of Meeting.**

Dues went out a little late, and this is reflected in the General bank balance

**Report of Auditors and Trustees.** None

**Chancellor's Report on Vocations.** - Rob Hessler None

*Report of Service Program Committees. (Grand knight calls on membership and program directors, who introduce their committee directors for their reports.)*

*Membership Director, Program Director, Church Director Community Director, Council Director, Culture of Life Director, Family Director, Youth Director, Report of Round Table Chairman.*

## **Report of Standing Committees.**

**Unfinished Business:** Free Throw contest next Wed, Jan 15 at 6:00, help is needed

- Golf Bash has issued 225 tickets, needs 333

- \$2,975 was collected on Street Road. \$2,000 donated to OLMC and \$1,000 to Our Lady of Confidence

- The SPRING FLING will be March 21 at 6:00, you can purchase tickets on our website

[KofC4160.com](http://KofC4160.com)

Chambers is catering and we need donations for the auction

**New Business:** Next Degree is Feb. 23 and we are planning a 3<sup>rd</sup> degree on April 19

- Nomination for Treasurer, Tim Powell - 2<sup>nd</sup> calling

- We had a long discussion regarding the money in the Happ Fund - \$15,065.14. It was agreed that \$12,000 will go into the general fund and \$3,00 in scholarship

- After another long discussion it was agreed that the Finance Committee will decide what to do with the

"Ave Maria" fund

- There was a motion by Rob Hessler to give \$2,000 to the principals at both schools - **PASSED**

This had been previously discussed

**Report of the Fourth Degree:** Flag retirement at both churches in March

**Field Agent's Report** - report about the \$\$\$ raised through insurance which are donated to charities

**District Deputy's Report**

**Good of the Order.** Rich Quinn is in rehab, call Brook if you are interested in helping

Grand Knight: Before proceeding to the Good of the Order, let me ask: Does any brother present know of a member of this council, or an unassisted brother of the Order, sick or in distress? (Any such are reported. Four raps. Chaplain or grand knight leads prayer for sick or distressed. One rap.)

Grand Knight: The Good of the Order will now be conducted by the worthy lecturer, I trust to the enjoyment, instruction and edification of all present. (The lecturer then presides, but the grand knight may terminate this order of business at his pleasure.)

**Closing Prayer.**

*Grand Knight:* Brothers, we shall now close this meeting. Let us kneel and pray that we may ever be united in charity, that God may bless our work, aid us to keep our pledges for His greater glory, and that He may grant eternal peace to the souls of our departed brothers. (Four raps. Chaplain or grand knight so prays. One rap at conclusion.)

Meeting adjourned at 9:32

----- The following financial detail has been added by Treasurer Tim Powell

Guys,

I would like to elaborate a little bit more on Bob Farina's email below. As I think you all would probably agree with me, some of past KOC meeting minutes have not been as detailed as they probably should have been, especially when it comes to resolutions and to recapping very key business discussions to be referenced at a future time. As a result, we have often had to rely on people's memory, emails, and personal notes to determine what was actually discussed, and what was actually agreed upon. With that in mind, and also given the fact that the Grand Knight Bill Lahr was not at the January 8<sup>th</sup> meeting, I have put together the draft points below from my personal notes from the meeting. I believe some summary version of this information should be included with the official minutes at last Weds meeting. Please review and edit as you deem appropriate as I have no pride of authorship. I would however, like to send my notes (with any suggested edits) to Rich Respond to include with the rest of the minutes that will be approved at the next meeting.

1. M. Majdosz reported on the final results of Collections for Special Needs-Middle East (Jordan)/OLC.

M. Majdosz reported that in November and December a total of \$2,975 had been collected by KOC volunteers at State stores, Aunt Judy's and at B&B beverages. A member then donated \$25.00 so that the \$3,000 target for the cash collections would be reached. Consistent with the previously authorized purpose of the collections by the KOC Council, two checks were written and distributed as follows:

- \$2,000 to the OLMC-Jordan Fund, given to member Deacon Jim Fowkes.
- \$1,000 to Our Lady of Confidence, given to Mike Rose to present to OLC on the KOC's behalf. (Reading Bob's email below, there apparently was an intention to hold the check until next meeting. My Bad. I missed that, and gave the check to Mike Rose to give to OLC).

The Treasurer then reported on the total KOC funds that contributed to the special needs initiate in FY19/20 which was \$3,500, including an initial check of \$500 from the general fund (matched by OLMC's pastor) plus the \$3,000 in cash collection by M. Majdosz.

2. Treasurer's Report

Mr. Powell reviewed the Treasurers Report through 12/31/19 which reflected the activity for the month and year ending balances of \$9,045.40 in General Funds, \$21,423.04 Allocated Funds, and a total cash balance of \$30,468.44. Mr. Powell then commented that when the General fund balance is adjusted for "incurred but not yet paid" expenses of \$7,014, **the actual General Funds available at 12-31-19 was only \$2,041.00.** He explained that the low balance was very temporary, and reflected \$10,700 of cash payments for golf bash prizes paid for well in advance of any significant ticket sales. Mr. Powell then reviewed a new supplemental cash report he prepared for the members that showed the actual FY19/20 six month YTD cash activity compared to the original budget that had been reviewed with the Members and approved earlier in the year. He commented that the YTD FY19/20 6 month actual included some cash items from the prior fiscal year that were processed over the summer (Applebee's bfst collection \$1,193, related orphanage donation \$1,470, and LOLF Ultrasound donation of \$15,250). **A discussion then followed with the Council and Members collectively reaffirming the need to defer any significant cash donations until later in 2020.**

3. Reimbursement/Reallocation of the Treasury Report allocated "HAPP" cash column to General Funds and to FY19/20 School Scholarships:

Mr. Powell opened a discussion with the Council and the Members regarding the status of the \$15,065 of Allocated "Happ cash" that in his view, has been sitting idle in the bank account since June of 2016, with no clear plan of how or when it will be used in the future. He reported that as part of assuming the role of Treasurer, he had conducted extensive diligence into the origins and intended uses of this money, which included discussions with current and former Grand Knights and council members going back to 2016, a review of historical KOC meeting minutes, a review of the 2016 Ave Maria account setup

documentation, and also a review of the Edward M. Happ Association, Inc. documentation that was prepared at the time the entity was dissolved. Mr. Powell reported his research findings which were as follows:

- The \$15,065 was received in June 2017, and was part of a larger plan to fund school scholarships well into the future through a strategy that combined regular KOC fund raising activities with an investment portfolio that was established by the KOC in 2016 with \$70,000 of other funds received from the liquidated Edward M. Happ Association.
- Those other funds were invested in two Ave Maria accounts entitled “EDWARD M. HAPP SCHOLARSHIP FUND, KNIGHTS OF COLUMBUS COUNCIL #4160”, reflecting the intentions of the KOC Council at the time. At Dec 31, 2019, Ave Maria value was \$93,352.77.
- While the intention of the parties at the time was to fund future scholarships while preserving cash on hand and investment principal, it appears that no definitive plans were ever documented with rules, guidelines, benchmarks, triggers, defined Council actions, etc.
- Mr. Cericola, who handled much of the Happ Assn dissolution activities, has stated emphatically time and again that the \$15,065 in the bank was put there intentionally to be a liquid, no risk source of cash for supporting several years of school scholarships, while the Ave Maria account grew in value.
- For the fiscal years ended June 2017, 2018, and 2019, \$12,000 of actual School Scholarships have been paid out of the General Fund at \$4,000 per year.
- For the budgeted Fiscal year ended June of 2020, \$4,000 is currently projected as a priority A funding item.

**Mr. Powell proposed the following two motions which were discussed by the Membership, and approved by majority vote, with three members dissenting::**

- That the General Fund be reimbursed from the allocated “Happ Cash” for \$12,000 paid out over the last three KOC fiscal years for college scholarships
- That the remaining \$3,065 of Happ Cash be allocated towards the current year’s School Scholarship budget of \$4,000

(Attached is a “proforma” Treasury Report through Jan 10 that reflects the impact of the approved motions above.)

4. Establish a Special Committee to perform a comprehensive review of the Happ Assn funds received and the intended/recommended use of the Ave Maria accounts in the future

Following the motion to reallocate the \$15,065 of Happ cash, a number of questions and comments (some listed below) came from the Council and various Members in attendance regarding the Happ funds received in 2016 and 2017, how that money has been handled since, and how it should be used going forward, including:

- How exactly are the Ave Maria funds to be used in the future? If it is to be used for school scholarships as originally intended, how and when is the money ever to be used?
- Should some of the gains realized to date in the Ave Maria funds be liquidated now to replace the \$15,065 that was just reallocated tonight to the General Fund and scholarships for FY19/20?
- What are the guidelines KOC for Councils that govern maintaining investment portfolios? and, Is KOC 4160 in compliance with them by maintaining the Ave Maria funds? (Chuck Nicholson read several pages from the official KOC leadership Resources manual which y suggested that KOC 4160 may not following those guidelines).
- Did KOC4160 properly take into consideration the funds received from the liquidated Happ Assn when preparing tax filings for 2016, 2017 and 2018?
- Are there any potential unintended consequences that could jeopardize tax the KOC’s tax exemption if it was not handled improperly? (Chuck Nicholson reported that 990-N postcards had only been filed for tax years 2016 and 2017, and the Ave Maria fund was not reported on the KOC Supreme Audit Reports until June of 2019. He also reported that he had received a “Failure to file tax return notice” for the Happ Assn EIN for the second year in a row- suggesting that the termination filing may not have been done properly).

Commenting that the matter clearly required further review and analysis, and that the subject was beyond the scope of the General Meeting, Mr. Dougherty proposed that a Special Committee be established to review it in detail and report back to the Council with

findings and recommendations over the next several months. Mr. Dougherty recommended that the committee be led by Tim Powell, and include Bill Lahr as Grand Knight, Chuck Nicholson, Bill Gibbons, Don Cericola, Bob Harner, Rob Hessler, and Ken Bucker. Others?

5. Prior Year Commitment to OLMC/SJR School Principals, Affirmed and Honored

Mr. Farina explained to the members that the Council had some unfinished business from the prior fiscal year that still needed to be addressed. He reminded everyone that FY18/19 had been the best year ever for KOC fundraising, and that there had been several discussions later in the fiscal year about sharing that success with the Catholic Schools through a “special” additional scholarship donation. He commented further that at the General Meeting in May, a proposal was vetted with the Members to give \$2,000 to each school and allow the school Principals to distribute the monies at their sole discretion on an “as needed basis”. Mr. Farina explained that following that meeting, Council members had approached the OLMC and SJR Principals with the KOC’s plans, and that they were well received and much anticipated. Mr. Powell then explained that In December of 2019, Grand Knight Bill Lahr inquired about the status of the additional scholarship payments, and was advised that no payment had been made by because there was no formal record in the minutes of a passed resolution. Mr. Farina explained that this clearly was administrative oversight, and then led an open discussion with the Members that ended with affirmation of the previous commitment, and unanimous approval of the following motion:

- **That OLMC and SJR/St. Robert Bellarmine Schools, each receive a \$2,000 payment from KOC #4160, to be used by the individual school Principals as scholarships to students, to be determined by the Principals at their sole discretion, on an “as needed basis”.**

Mr. Powell immediately issued the two checks at the meeting and gave to Mr. Dougherty (OLMC) and Ken Bucher (St. Roberts), to deliver to each school.

This all may seem like overkill to you guys, but there was a lot of very important discussion at that last meeting that is going to impact us going forward, and I felt the need to document it thoroughly for future reference.

Please let me know if you have any major changes, edits, or if I got any material facts wrong.

TimP

**OLMC #4160 Treasurer Report**

**JANUARY 2020 - Preliminary MTD as of 1-10-20 1pm**  
 (Covenant Bank Account Only. Wells Fargo Acct Closed)

		Allocated Cash Amounts								
		General	Sp.Needs	Charity	Happ	Scholshp	Ultra Sound	Fraternal	Total	
<b>BEGINNING BALANCE for the Month</b>		As of 12/31/19	9,045.40	1,679.00	178.90	15,065.14	-	-	4,500.00	30,468.44
<b>RECEIPTS:</b>										
<b>Date</b>	<b>Description:</b>	<b>Drafts</b>								
1/3/2020	Deposit-Checks Golf Bash	2026	472.74							472.74
1/3/2020	Cash Collections, Mark Majdosz-CCD Middle East/OLC	2027		1,296.00						1,296.00
1/3/2020	Square-Golf Bash Ticket, \$60 less \$2.25 Fee		57.75							57.75
1/7/2020	Square-Dance: Tix \$120, 50/50-\$50, Chin Auct \$50, Fee \$6.68		213.32							213.32
1/8/2020	Reimb Gen Fund for 2017, 2018 & 2019 Scholarship Payments		12,000.00			(12,000.00)				-
1/8/2020	Allocate Remaining Happ Funds to Current Year Scholarships					(3,065.14)	3,065.14			-
1/9/2020	Check Deposits-Dues	2028	440.00							440.00
1/9/2020	Check Deposits-Football Sweepstakes from State	2028	132.00							132.00
1/9/2020	Cash Deposit-Dues (various)	2029	40.00							40.00
1/9/2020	Cash Deposit-Dues (Powell & Respond)	2030	80.00							80.00
1/9/2020	Cash Deposit-50/50 & Winner Proceeds Donated (Bucker)	2030	180.00							180.00
1/8/2020	Square-4 Golf Bash Tickets, \$240 less \$6.34 Fee		233.66							233.66
1/8/2020	Check TP don for M.Majdosz \$3k goal-roll CCD-ME/OLC	2031		25.00						25.00
<b>Total Receipts for the Month</b>			13,849.47	1,321.00	-	(15,065.14)	3,065.14	-	-	3,170.47
<b>DISBURSEMENTS:</b>										
<b>Date</b>	<b>Description:</b>	<b>Warrant</b>	<b>Check</b>							
1/8/2020	OLMC Church-Jordan Special Needs Project 2020	3973	1044	2,000.00						2,000.00
1/8/2020	KOC PA State Council	3974	1045							2,000.00
1/8/2020	Chuck Nicholson-Supplies	3975	1046	57.12						57.12
1/8/2020	KOC Supreme Council (Amt not yet Known)	3976	1047	43.38						43.38
1/8/2020	Check to OLMC School Princ for "needs based" distrib	3979	1048	2,000.00						2,000.00
1/8/2020	Check to SJR School Princ for "needs based" distrib	3980	1049	2,000.00						2,000.00
1/8/2020	Frank Williams-Meeting Expense, Jan 2020	3978	1050	145.94						145.94
1/8/2020	Bill Gibbons-Supplies & Degree Refreshments	3977	1051	130.49						130.49
1/8/2020	Our Lady of Confidence-Special Needs Collection	3981	1052		1,000.00					1,000.00
<b>Total Disbursements for the Month</b>				6,376.93	3,000.00	-	-	-	-	9,376.93
<b>ENDING BALANCE for the Month</b>		As of 01/31/20	16,517.94	-	178.90	-	3,065.14	-	4,500.00	24,261.98