

**MINUTES: BOARD OF DIRECTORS MEETING
COMMUNITY ACTION AGENCY OF HENNEPIN COUNTY
8800 HIGHWAY 7, SUITE 401, ST. LOUIS PARK, MN 55426
THURSDAY, SEPTEMBER 27, 2018
6:30 P.M.**

David Asp	E	Kevin Myren	P
Mary Brindle	P	Alysen Neese	P
Abdi Busuri	P	Solomon Ogunyemi	P
Justin Gillette	P	Josh Schaffer	P
Debbie Goettel	A	Tanya Simons	P
Marvin Johnson	P	Michael Vekich	E
Karin Keitel	P		
David Krause	P		

CAP-HC Staff Present: Steve Piekarski, Reggie Turner, Laura Seymour, Feleshia Edwards, Azucena Ortega and Scott Rusten and Lydia Green.

Guest: Casey Krolczyk, aide to Commissioner Debbie Goettel.

I. Call to Order:

The CAP-HC Board of Directors met on Thursday, September 27, 2018. The meeting was called to order at 6:33p.m. by Chairperson Brindle.

II. Roll Call/Introduction of staff, guests, and visitors

Chairperson Brindle asked for the roll call. A quorum was present.

III. Conflict of Interest Disclosure:

Chairperson Brindle asked if there were any conflicts of interest to disclose. Mr. Gillette stated that he would not participate in the Avison Young real estate discussion due to a spousal relationship to the real estate agent.

IV. Approval of the Agenda:

A **MOTION** was made by Mr. Schaffer seconded by Mr. Gillette to approve the agenda.

MOTION CARRIED.

V. Review and approval of August 23, 2018 Directors Minutes

A **MOTION** was made to accept the amended minutes, which annotate Ms. Goettel's absence by Mr. Myren and seconded by Mr. Gillette. **MOTION CARRIED.**

VI. Committee Reports:

1. Executive Director's Report & Update

Ms. McCoy is no longer with the organization as of September 24. Feleshia Edwards is taking over the program areas previously managed by Ms. McCoy. Mr. Piekarski is working with Mr. Turner to assist with the 2019 budget. The past month has been spent revising the CSBG Work Plan budget based on the feedback received from OEO. The 3rd quarter QIP Report will be submitted in October for the relevant committees and

Board to review.

Avison Young is working towards subleasing the third floor office space. The work by Avison Young is pro bono. Ms. Brindle opened the floor for questions about pro bono work via Avison Young. With no questions, **A MOTION** was made to enter a pro bono contract with Avison Young with the purpose of leasing the third floor office space by Mr. Krause and seconded by Mr. Ogunyemi. **MOTION CARRIED.**

Mr. Piekarski discussed the current deficit and the impact of the indirect cost rate. Mr. Wilcoxon, the former Interim Director of Finance will assist Mr. Piekarski and Mr. Turner with developing a plan to reduce the current deficit. Ms. Brindle pointed out that the indirect cost rate was not discussed as a permanent policy. Mr. Wilcoxon developed a schedule relating to the indirect cost rate, which DHS is reviewing. The agency should see a reduction in the September deficit based on the additional EAP staff. Mr. Piekarski stated that the organization will pay closer attention to current spending. Ms. Brindle stated that CAP-HC is the only CAP agency in Minnesota that uses the indirect cost rate.

Mr. Piekarski covered the Executive Director report in detail. Theresa Leonard, the new Grants Manager started in September. The performance management system is scheduled for implementation by January 1, 2019.

Mr. Piekarski opened the floor for questions. Mr. Krolczyk asked about how it was determined that past leadership was the primary cause of the deficit. Ms. Brindle briefly discussed the previous Director of Finance during the 2016 audit. Mr. Krolczyk asked about modifications to the hiring of Finance staff and the process for hiring Reggie Turner, the new Director of Finance. Mr. Piekarski discussed the involvement of both Mr. Myren and Mr. Wilcoxon in selecting the current Director of Finance and stated that he believes the process was effective.

Ms. Neese asked about how indirect cost rate relates to the deficit. Mr. Turner and Mr. Myren discussed the relation between salaries of permanent and interim staff during the last year along with the loss of a significant number of staff. Mr. Myren discussed the cost loss and the line of credit that has been used. The agency has used \$195,000 on the line of credit, out of an available \$350,000.

2. Staff Directors Reports

a. Energy Services

Ms. Edwards received the results of the EAP Federal Fiscal audit report, which contained no findings or recommendations. The contract has been received for the FY2019 as of Tuesday, September 25. The EAP season official begins on Monday, October 1. Ms. Edwards noted that the agency already received 6,000 applications, and it has processed 48% of them.

b. Client Services

With Ms. McCoy's departure, the Client Services report was included in the board packet, but not discussed at the board meeting. Ms. Edwards stated that she would present a report during the October meeting for both Energy Assistance and Client Services. The Board of Directors thanked Ms. Edwards for her hard work and

dedication and for temporarily taking on both roles.

CAP-HC Board of Directors will go into closed session to discuss personnel matters as allowed by Minnesota Statute 13.d. at 7:02pm. **A MOTION** was made to go to a closed session by Mr. Krause and seconded by Mr. Busuri. **MOTION CARRIED.**

At 7:39 p.m., **A MOTION** was made to return to open session by Mr. Schaffer, seconded by Mr. Gillette. **MOTION CARRIED.**

3. DHS Presentation and QIP Updates

Mr. Piekarski noted that DHS was not at the meeting because it was not yet ready to make its presentation regarding its QIP response and the DHS and Commerce audit that the organization recently received. Ms. Brindle stated that she and Mr. Piekarski will be re-reviewing the information provided by DHS and Commerce and will develop a list of what has already been addressed, what the organization is currently working on and what it needs to address, so that we can track progress.

4. Executive Committee Report

Ms. Brindle reported that the Executive Committee met on September 19th. She presented and read to the Board a memorandum from the Bylaws and Governance Committee regarding the democratic selection process for community sector board members that will be kicked off in October, if approved by the Board. Mr. Johnson asked about the costs of doing two mailings to clients. Ms. Neese asked about the accessibility of meetings for community sector members. Ms. Brindle replied that she believed that there is a stipend for transportation under CSBG grants, and that some CAPs provide child care during meetings. She also noted that the organization is looking for a new location in 2020. Mr. Ogunyemi recommended a press release about looking for community members to get the word out more broadly. Ms. Keitel suggested that we look for alternative locations for the Board meetings, including other CAP-HC office locations in Minneapolis. Ms. Neese encouraged the agency to include information about the availability of a stipend for transportation and childcare in the call for nominations. Ms. Simons suggested that the board research what other CAPs do, and Mr. Piekarski agreed to do so. **A MOTION** was made to adopt the democratic selection process as outlined by the Bylaws and Governance Committee by Mr. Krause, seconded by Mr. Ogunyemi. **MOTION CARRIED**, with Mr. Johnson opposed.

Ms. Brindle noted that she and Mr. Piekarski recently visited the tent encampment in Minneapolis, noting in particular how many children were present, what the conditions were, and what efforts were being made to get preschool children into Head Start. She noted that Minneapolis is making progress toward finding more permanent arrangements.

5. Bylaws and Governance Committee Report

[See above discussion of democratic selection process]

6. Planning and Evaluation Committee

Mr. Gillette reported that the organization has entered into an MOU with MACV to use the monies received through grants and donations on behalf of veterans. He noted that the Green Zone project is moving forward, although still in the early stages. The

first community meeting for the project is tonight.

Mr. Gillette led the Board through the updated CSBG work plan that will be submitted to the state. It includes new staffing and reflects feedback received from the state. Mr. Myren noted that the state has emphasized the need to serve greater numbers of people and asked whether the plan reflected that feedback. Mr. Piekarski noted that it did and that the organization is taking a broader approach to reach more communities (e.g., seniors). Mr. Myren asked about the means for the Board to monitor and ensure accountability and suggested reporting similar to what the Board receives on the EAP programs. Mr. Piekarski stated that he would need to connect with Ms. Edwards on the work plan and reporting, since she had just taken responsibility for these additional program areas, and he would follow up with the Board. **A MOTION** was made to approve the updated work plan by Mr. Gillette, seconded by Ms. Neese. **MOTION CARRIED.**

Mr. Gillette described the new RFP process, which is being reviewed by the agency's outside counsel. Mr. Piekarski stated that CAP-HC would need to do some subgrants in order to spend CSBG dollars in this fiscal year. Ms. Keitel asked whether the process would include a strategic focus that ties to the community needs assessment. Mr. Piekarski affirmed that it would.

Mr. Gillette described some input that the Planning and Evaluation Committee had made into the updated work plan. Mr. Myren expressed concern about not having these changes incorporated into the document approved by the Board. Mr. Gillette and Ms. Keitel more fully described the input that the committee discussed and recommended during its meeting immediately prior to the Board meeting. **A MOTION** was made to reconsider the motion to approve the work plan by Mr. Johnson, seconded by Mr. Gillette. **MOTION CARRIED.**

Mr. Gillette asked whether there were any other questions regarding the work plan. **A MOTION** was made to approve the work plan, subject to the changes discussed and recommended at the Planning and Evaluation Committee meeting by Mr. Gillette, seconded by Mr. Johnson. **MOTION CARRIED,** with Mr. Myren abstaining.

7. Finance and Investment Oversight Committee

Mr. Myren reported that the Finance and Investment Oversight Committee spent its time discussing the draft finance report and the deficit. He noted that the August financials will be resubmitted to the committee's next meeting. He noted that staff has made changes to the signing procedures for checks, which led to a discussion regarding updating all of the agency's financial policies.

Mr. Turner agreed to do a deeper review and revision of the policies, with the goal of having the committee consider the first half of those policies at its next meeting, and the second half at its November meeting. The agency has also put out an RFP for audit services and has received and is evaluating the three responses. Ms. Brindle also mentioned that the committee is looking at changing its regular meeting time. Mr. Turner stated that a payment due from the state had been held up, which led to CAP-HC tapping into its line of credit.

Mr. Myren left the meeting.

8. Human Resources Committee

Mr. Krause noted that the Human Resources Committee met on September 19. Ms. Seymour is working on a performance management system. The agency has changed its introductory period from 90 to 30 days and is converting to a PTO system. This change and the changes to the 403(b) program were introduced to the agency staff, and Mr. Piekarski and Ms. Seymour are working through morale issues. Mr. Piekarski noted that a new grants manager and a new navigator have started and that the organization has posted the opening for the Director of HR role. He also noted that updates to the succession plan are on hold because of other changes taking place.

VII. Unfinished Business:

None

VIII. New Business:

None

IX. Adjournment:

With no further business, A **MOTION** was made by Ms. Neese to adjourn the meeting and seconded by Mr. Gillette. **MOTION CARRIED**. The meeting adjourned at 8:28pm.

**NEXT REGULAR BOARD OF DIRECTORS MEETING:
OCTOBER 25, 2018, 6:30PM**