

**MINUTES: BOARD OF DIRECTORS MEETING
COMMUNITY ACTION AGENCY OF HENNEPIN COUNTY
8800 HIGHWAY 7, SUITE 401, ST. LOUIS PARK, MN 55426
THURSDAY, OCTOBER 25, 2018
6:30 P.M.**

David Asp	P* ¹	Kevin Myren	P
Mary Brindle	P	Solomon Ogunyemi	P
Abdi Busuri	A	Alysen Nesse	P
Justin Gillette	P	Josh Schaffer	P
Debbie Goettel	P	Tanya Simons	P
Marvin Johnson	P	Michael Vekich	P
David Krause	P		

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

Guest: Casey Krolczyk, aide to Commissioner Debbie Goettel; Francie Mathis, Department of Health Services; Jennifer Parck, counsel to DHS; Jan Callison, Hennepin County Commissioner; Dan Rogan, counsel to Hennepin County Commissioners.

I. Call to Order:

The CAP-HC Board of Directors met on Thursday, October 25, 2018. The meeting was called to order at 6:28pm 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. There were none. In addition, Chairperson Brindle requested that new board members- Mr. Vekich and Ms. Simons- complete a *Conflict of Interest Form*.

IV. Approval of the Agenda:

A **MOTION** was made by Mr. Johnson seconded by Mr. Krause to approve the agenda with amendments, including an additional bullet point under unfinished business. **MOTION CARRIED.**

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

A **MOTION** was made to accept the amended minutes by Mr. Schaffer and seconded by Mr. Johnson. **MOTION CARRIED**, with Mr. Vekich abstaining.

¹ *Present via conference call

VI. Committee Reports:

1. Executive Director's Report & Update

Mr. Piekarski reported that he has been focused on the third quarter QIP report. The sublease for the third-floor space has been posted and is available. He and Mr. Turner are working on the 2019 budget, and Mr. Turner hopes to have a draft available for the Finance and Investment Oversight Committee in November. The 2019 budget will incorporate a shift from the indirect cost rate to cost allocation as of January 1, 2019. Mr. Piekarski reported that Joel Wilcoxon, who served as the Interim Director of Finance, was no longer able to work on the cost allocation project.

A community-sector board recruitment plan has been developed and will be implemented with community partners after receiving DHS approval. Mr. Piekarski mentioned the organization's efforts to re-energize its participation in Hennepin County's eleven family service collaboratives. Mr. Krause asked about the cost allocation process and whether or not additional expertise is needed. Mr. Piekarski stated that Mr. Wilcoxon developed a clear plan that will be used and that Mr. Myren also has experience in this area.

2. Staff Directors Reports

a. Energy Services

The final close out for the FY2018 will be submitted to the Department of Commerce (DOC) by November 1, 2018. Currently, the Energy Assistance Program has received and processed over 10,000 applications.

b. Client Services

Ms. Edwards stated that there are still challenges in capturing accurate data for SNAP and MNsure programs and outreach events. The issue exists due to a number of factors, including staffing and data collection techniques. Mr. Krause asked about how the numbers can be improved in the future and whether or not a strategy is needed to meet SNAP goals. Ms. Edwards pointed out that EAP applications include a questionnaire for clients asking if additional services are needed. The data collected from these questionnaire will be used to reach a larger demographic for Client Services (i.e. non-energy programs). Ms. Edwards is hopeful that this will benefit the SNAP and MNsure numbers. Ms. Nesse asked if the November 2018 report could include a 2017-2018 comparative analysis. Ms. Edwards stated that future reports would include the numbers from the previous year and compare Minneapolis and Suburban Hennepin.

2. Finance Report

Mr. Myren discussed the current losses and underspending of grants. In addition, Ms. Simons asked if there was a cash flow projection for next month. Mr. Turner and Mr. Myren discussed the current expenses and year end goals. Ms. Edwards added that EAP is currently in overtime, which will decrease the gap and possibly close it by the end of April 2019. Mr. Krause recommended including a six-month cash flow projections in the financial packets.

A MOTION was made to approve the August and September Financials subject to audit by Mr. Myren and seconded by Mr. Gillette. **MOTION CARRIED**, with Mr. Vekich abstaining.

Mr. Myren then discussed the agency's current cash situation and the LPL Investment account. The line of credit has a remaining capacity of \$119,000. The plan would be to liquidate the LPL Investment account and move available monies into operational funds. Ms. Goettel asked about other alternatives and the purpose of liquidating the investment. Mr. Myren stated that the investment could be used for a number of agency expenses, including lowering the line of credit. Mr. Krause stated that based on the cash flow projection, the liquidity may not be necessary at the moment.

Ms. Simons clarified that the organization is at risk if the LPL funds are not liquidated. Moreover, Mr. Turner pointed out that several strategies have been discussed to address the deficit, but a definitive plan has not been outlined. The best case scenario would be for the organization to break even unless a different method to raise revenue outside of grant funding is developed. **A MOTION** was made to liquidate the LPL Investment account to operational funds for the organization by Mr. Myren and seconded by Ms. Simons. **MOTION CARRIED**, with Mr. Vekich opposing.

A recommendation was made to select BerganKDV as the new audit firm based on previous Community Action experience. Mr. Turner was asked whether or not DHS was informed about the potential audit firm. Mr. Turner stated that DHS was aware and no issues were reported. **A MOTION** was made to approve the audit firm by Ms. Goettel and seconded by Mr. Gillette. **MOTION CARRIED**.

A MOTION was made to approve the 2017 Form 990 by Mr. Johnson and seconded by Mr. Ogunyemi. **MOTION CARRIED**, with Mr. Vekich abstaining.

Mr. Krause and Ms. Seymour presented the Succession Plan. Ms. Seymour described the Succession Plan as a 'living document' that will be updated on a quarterly basis. Ms. Simons asked whether we were being asked to vote on the framework or the entire document. Mr. Krause responded that we are being asked to approve the entire document, which is based on Mr. Piekarski and Ms. Seymour's recommendations. With no questions, **A MOTION** was made to approve the Succession Plan by Mr. Krause and seconded by Mr. Gillette. **MOTION CARRIED**, with Mr. Vekich abstaining.

A MOTION was made to go into closed session at 7:21pm by Mr. Krause and seconded by Ms. Goettel. **MOTION CARRIED**.

A MOTION was made to go into open session at 8:50 pm by Mr. Schaffer and seconded by Mr. Krause. **MOTION CARRIED**.

[NOTE these minutes include discussion of the third quarter QIP response that inadvertently occurred in the closed session:

Ms. Brindle noted that the Board received a copy of the third quarter QIP report for its review and input. Ms. Goettel asked Mr. Piekarski to summarize where we believe we are making good progress and where we are not. Mr. Piekarski responded that progress has been made in the performance management, and in holding individuals accountable to their work plans. He noted that the agency is making strides in the financial area, but it has work to do firming up policies and making sure that the policies are

communicated to employees. He noted that that recent changes to the credit card policy has had a beneficial impact of reducing spending on supplies, for example. Mr. Piekarski stated that the organization has work to do on the program side, and that it is critical that the agency be engaged with the community.

Currently the organization has an opportunity to reorganize and re-focus its efforts. He described past practices where the agency sought grants that it didn't have sufficient expertise to deliver expected results, such as a City of Minneapolis grant to help write business plans. CAP-HC has spoken with the city and is in the process of returning that grant. Mr. Piekarski reported that a grants team has been formed, including finance and the grants manager, that will develop a process for determining which grants to pursue, which will be an important foundation for CAP-HC. He noted that the next step would be to reorganize the program staff to have better outcomes and return on investment (ROI) to reach more people across Hennepin County and Minneapolis. Ms. Goettel asked about feedback from the state.

Mr. Piekarski noted that DHS has seemed to be more focused recently on the agency's investigation regarding a terminated employee. He has been in daily communication with DHS relating to this investigation. He hoped that the third quarter QIP response would open up a broader dialogue with DHS. Ms. Brindle noted that Mr. Piekarski started as the new Executive Director in June 2018, only one month before the second quarter QIP was submitted to DHS. The second quarter QIP response was based on comments from Pam Pullman, the Interim Executive Director. Ms. Brindle noted that the third quarter QIP response is the result of Mr. Piekarski's work. She suggested that the Board move forward to approve the third quarter QIP response. Mr. Vekich responded that the Board would need to take that action in an open session.]

A MOTION was made to approve the third quarter QIP response for submission to DHS, by Mr. Krause, seconded by Mr. Ogunyemi. **MOTION CARRIED.**

A MOTION was made to adjourn the meeting at 8:51 pm, by Ms. Goettel, seconded by Ms. Neese. **MOTION CARRIED.**

**NEXT REGULAR BOARD OF DIRECTORS MEETING:
NOVEMBER 29, 2018, 6:30PM**