

**MINUTES: MANAGING COMMITTEE MEETING
COMMUNITY ACTION AGENCY OF HENNEPIN COUNTY
122 W FRANKLIN AVENUE, MINNEAPOLIS, MN 55404
THURSDAY, APRIL 18, 2019
11:00 A.M.**

David Asp	P	Alysen Nesse	P
Karin Keitel	P	Josh Schaffer	P
Kevin Myren	P	Mike Vekich	P

CAP-HC Staff: Feleshia Edwards and Todd Blooflat

Guests: Tikki Brown, Isaac Wengerd, and Andrew Grewell (DHS); Marie Schmitz (Bergan KDV, auditors); Clarence Hightower (CAP-RW)

1. Call to Order: Chair Mike Vekich called the meeting to order at 11:09 and outlined the agenda for the meeting. A quorum was present.

2. Approval of Minutes: Chair Vekich asked if there were any changes to the minutes of the April 5 meeting of the Managing Committee. There were none. The minutes were approved.

3. Auditor Presentation of 2018 Audit: Kevin Myren introduced Marie Schmitz, audit partner at BerganKDV, auditor to the agency. Ms. Schmitz summarized the 2018 audit which is an unqualified opinion that the financial statements present fairly, in all material respects, the financial position of CAP-HC. Ms. Schmitz reviewed the financial statements and the independent auditor's report and highlighted the two material weaknesses and one significant deficiency. She noted that BerganKDV was satisfied with management's response to those matters. Ms. Schmitz requested additional information from the March Board meeting and the January managing committee meetings, which the managing committee and staff agreed to provide promptly.

Mr. Myren congratulated Todd Blooflat on the 2018 audit and the improvements made to the agency's financial processes and procedures. Ms. Keitel asked for information about the changes to segregation of duties, which Mr. Blooflat provided. The managing committee discussed.

Mr. Myren made a MOTION to accept the 2018 audit report as presented, with a second from Josh Schaffer. MOTION APPROVED. Mr. Blooflat and Ms. Schmitz left the meeting.

4. Approval of the Operating Agreement between CAP-HC and CAP-RW:

Dr. Clarence Hightower joined the meeting. David Asp asked the managing committee whether there were any questions or comments about the draft contract that had been circulated. Under the proposed agreement, Dr. Hightower and his administrative team will provide executive director and administrative services to CAP-HC, for a period of one year, in exchange for a payment of \$8,333.33 per month, not to exceed \$100,000. Ms. Keitel asked for clarification regarding confidentiality obligations. Dr. Hightower stated that the CAP-RW

employees would be expected to treat any information learned in providing assistance to CAP-HC as confidential under the terms of its employee handbook.

A MOTION was made by Mr. Myren and seconded by Alysén Nesse, to authorize Mike Vekich as chair of the managing committee to execute the proposed Operating Agreement with such changes as he deems appropriate. MOTION APPROVED.

The managing committee, Ms. Edwards, Dr. Hightower and DHS staff then discussed communicating the agreement to the agency's funders and employees. Dr. Hightower agreed to have his team draft proposed communications, including a standby public statement to be used as necessary. Tikki Brown agreed to discuss the arrangement with her counterpart in the Department of Commerce.

The managing committee thanked Dr. Hightower for his willingness to lend temporary assistance to CAP-HC and he expressed his optimism and determination to help improve CAP-HC.

5. One-Time Temporary Adjustment: Chair Vekich asked Ms. Edwards to leave the meeting. He then complimented Ms. Edwards' leadership in the interim period and proposed that she be given a one-time temporary adjustment of her compensation for modification of services, in the amount of \$2,500. A MOTION was made by Mr. Myren and seconded by Ms. Keitel, to approve a one-time temporary adjustment of Ms. Edwards' compensation for modification of services. MOTION APPROVED.

6. DHS Update: The DHS representatives provided an update. Mr. Wengerd recapped the state's involvement in CAP-HC's RFP/subgrant process. He and Mr. Grewell discussed revisions to the agency's work plan and budget and timing. The managing committee and DHS representatives discussed the director of programs and program consultant roles and agreed that the best path is for Dr. Hightower and his team to first complete its initial assessment. Ms. Brown stated that DHS expects to have an audit by the federal government in September, which will likely include a site visit to CAP-HC, and an internal audit at DHS that may impact repayments, if any, that may be required. Mr. Wengerd said that the QIP reporting due date will be extended to the end of May and that DHS is preparing a reporting tool that will combine QIPs #1 and #2, which should be ready by the end of April.

7. Fiscal Update: Mr. Myren updated the committee on the status of the line of credit at Bremer Bank.

The meeting adjourned at 12:45 p.m.

Respectfully submitted,

Karin Keitel, Secretary to the Managing Committee

*Next Managing Committee Meeting:
Friday, May 3, 2019*