



**BOARD OF DIRECTORS MEETING MINUTES**

Thursday, June 27, 2024, 6:30 – 8:00 pm

Zoom: [Login](#)

Dial-In: +1 312-626-6799, Meeting ID: 821 3771 4064, Passcode: 455469

**MINUTES**

Antanisha Spears	E	Naweed Ahmadzai	E
Glaiza Regis	E	Victoria Chambers	P
Kathilyn Solomon	E	Brian Smith	P
Miles Wilson	E	Council Member Emily Koski	P
Samsam Mohamed	E	Council Member LaTrisha Vetaw	P
Solomon Ogunyemi	P	Commissioner Kevin Anderson	P
Tyanna Bryant	P	Commissioner Debbie Goettel	P
Jim Lehman	E	Adriana Cerrillo	E
Josh Schaffer	E	Council Member Dr. Kimberly Wilburn	E
Dominique Pierre-Toussaint	P	Commissioner Marion Greene	P
Kevin Myren	P		

CAP-HC Staff Present: Dr. Clarence Hightower, Kendra Krolik, Todd Blooflat, Gayle Peters, Lia Kang, Katherine Castille, TaMica' Tody.

Guest present: Commissioner Heather Edelson for Commissioner Anderson. Betsy Brock for Council Member LaTrisha Vetaw.

**1. Call to Order/Roll Call:**

Chair Brock called the meeting to order at approximately 6:35 PM. A quorum was present.

**2. Review and Approval of June 27, 2024, Board Agenda:**

Chair Brock asked if there were any changes to the June 27, 2024, Board Meeting agenda. Staff requested that an agenda item be added to New Business to discuss the renewal of the line of credit. Ms. Goettel made a motion to approve the amended agenda, seconded by Mr. Pierre-Toussaint. MOTION adopted and the amended agenda was unanimously approved.

### **3. Review and Approval of May 23, 2024, Board Minutes:**

Chair Brock asked if there were any changes to the May 23, 2024, Board Meeting Minutes. There were none. Ms. Goettel made a motion to approve, seconded by Mr. Myren. MOTION adopted and the minutes were unanimously approved.

### **4. Study Sessions:**

#### **a. 2024 Annual Work Plan Update:**

Ms. Krolik presented the 2024 Annual Work Plan. The Annual Work Plan was presented to the board in February. This is the half year mark update. There are a total of 24 goals for the year, two goals have been met. Staff are confident that all goals will be met. Many goals will take until the end of the year to complete. There are no goals in jeopardy at the time of meeting. Goal #8, Receive an unmodified opinion with no finding on the financial and compliance audit, has been met. Goal #14, Ensure the CSBG Organizational Standards compliance is deemed satisfactory, meeting the threshold and requirements defined by OEO, has been met. The remaining 22 goals are in progress. Goal #2, the Client Satisfactory Scores, the goal is to have an average score above 3.0. It is anticipated that this will be the case for the year. Goal #10, the Employee Engagement survey will be issued in fall, when most Energy Assistance program staff return to work. Goal #12, there will be a total of four all-staff trainings for the year. A session was held a few months ago with a new facilitator on the topic of stewardship. It was an introductory training to the additional trainings that will be held in fall. Goal #19, the website redesign, is in progress. A vendor has been selected to update the website. There is also an internal staff working group that has been assembled. Goal #23, the organizational readiness for programmatic evaluation is in progress. Emergency Rental and Vehicle Repair are the programs that have been selected for evaluation. Program subject matter experts will be surveyed to establish the focus areas to be strengthened over the course of the next couple of years.

#### **b. Adjusted 2024 Agency Budget:**

Mr. Blooflat presented. A revised budget was done due to a ruling by DEED on how the direct appropriation administrative fees can be charged. Initially it was believed staff could charge a flat 10% administrative fee. In April 2024 it was determined that reimbursement would only be for actual administrative expenditures. In November 2023 approved budget, the net surplus was projected to be \$240,00 based on the 10% administration fee for direct appropriation. The revised budget reflects the removal of the net surplus due to the DEED ruling. Expenditures were increased to offset anything coming in. The overall increase in revenue is \$580,000. There is still

a balanced program budget, but the overall budget has a small deficit due to depreciation.

**5. Financials**

**a. April 2024 Financials**

Mr. Myren presented the April financials. Actuals at \$3.1M vs budget at \$2.9M were very close. The largest variance was in the direct appropriation, which is over what was budgeted for. This will be corrected with the revised budget. Expenditures were all in line with the only variance being on the expenses related to direct appropriation. The actual YTD was \$41,827 vs. \$103,065 budget again due to the direct appropriation. The cash position was almost \$200,00 at the end of April. Mr. Myren made a motion to approve the April financials subject to audit, seconded by Ms. Goettel. MOTION adopted and the April financials were unanimously approved.

**b. May 2024 Cash Flow Projections:**

The cashflow statement reflects a tight cash position expected from May – October. The Finance and Audit Committee recommends acceptance of the financial report subject to audit.

**6. Grant Application Report:**

Ms. Krolik presented. The CSBG Hennepin County grant for \$140,000 to support rental and water assistance was denied. A similar proposal was awarded last year. Staff expect to receive feedback on this denial when the process has concluded. \$250,000 was received from DEED for the Childcare Economic grant in partnership with YouthPrise. CAP-HC would be lead applicant and fiscal agent. Most funding of the funding will be used for renovations to open a new childcare center to further the goal of increasing childcare providers in North Minneapolis. CAP-HC will get 10% of the funding for acting as the fiscal agent. There were also denials received from the Anderson Corporate Foundation and the Minneapolis Association of Realtors. These were first time applications. Both were very competitive. Anderson liked the proposal but prioritized emergency shelter or new affordable housing over emergency rental assistance. The Minneapolis Association of Realtors received over 40 applications and only selected a few. They have encouraged staff to reapply next year. A lot of proposals were submitted in May. There was a proposal sent to Allianz for \$50,000 to support employment readiness. A co-application proposal was submitted to Hennepin County for \$20,000 to support anti racism education and outreach. There were additional proposals sent to Ameriprise for \$5,000 and United Way 988 Capacity grant to support housing in the amount of \$15K-\$20K. Requests were sent to Wright Hennepin Electric Trust for \$10,000 in renewal funding and Target Corporation for \$50,000 to support employment readiness.

**7. Finance and Audit Committee Update:**

Mr. Myren presented. The Finance and Audit Committee met; a quorum was present. The Financial and cashflow statements were reviewed. The proposed budget adjustments were reviewed and discussed. A Line of credit report and legal update were presented. A request to increase the line of credit from \$350,000 to \$500,000 during the renewal process was discussed and is suggested for board approval.

**8. Human Resources Committee Update:**

Committee Chair Chambers presented. The HR Committee met and approved the agenda and the May 23, 2024, minutes. Ms. Peters provided a recruiting and hiring update. The Data and Evaluation position is open and one opening in Client Services. The Energy Assistance employees are on furlough until the end of August. Employee relations is a new agenda item that will be presented on a need-to-know basis. There was a recent incident of an employee having a no call/no show. Legal counsel was solicited, and the feedback was staff handled this situation correctly and it is believed at the time of meeting that there will be no negative consequences of the actions taken. There will be upcoming all-staff trainings in fall and the all-staff annual picnic. The Employee Engagement survey will be conducted in fall. Ms. Peters shared overall it is quiet around the agency with furloughs and current staff using PTO and taking advantage of the summer office hours. Furloughed staff will be returning in the last week of August. Commissioner Goettel asked that considering the agency's financial challenges will the current open positions remain vacant to positively impact the agency budget. Dr. Hightower shared that these positions will not be left open as it will negatively impact clients and funding for services.

**9. Planning and Evaluation (P&E) Update:**

The committee met and a quorum was not present. All regular reports were reviewed. Ms. Stauffer shared that 1,169 households were served. The Energy Assistance program closed on May 31 and 29,000 applications were received. The team will continue to process applications until July 1. 20,834 applications were approved at the time of the meeting. This is more than 1,000 applications at the same time last year. Staff will have until July 15 to flip denied application to the approved status. The water program will begin July 1. CAP-HC has recently partnered with All Solar program to provide solar services to approved Energy Assistance homeowners. The goal is to get 250 solar appointments scheduled. Mr. Henderson who is leading this program is doing exceptionally well and it is anticipated that this goal will be met. A partnership with PICA is also in progress to run energy conservation classes over summer.

**10. Fund Development Task Force Update:**

Mr. Smith presented. Community action month was May. During that month proclamations were made in Minneapolis and Hennepin County. Proclamations were also received from Governor Waltz and President Biden. During the month of May only one donation was received, there was very little social media

activity. Ms. Krolik presented the various ways board members can support the work: Donate, make an introduction to assist in developing new relationships, share social media post. Most content is on Facebook, Instagram, and Linked In. Be a good ambassador for CAP-HC, share testimonials, whether written or video. Mr. Smith shared the goal for 2024 is to get 30 new individual donors and to raise \$16,000. So far \$1,342.00 has been raised at the time of the meeting. 1:1 The Task Force will be reaching out to the board to schedule 1:1 conversations with board members on fund development ideas. Mr. Smith presented the Board of Directors Engagement form.

**11. Monthly Program Data Report:**

In May 1,669 households were served. For the year, 11,113 have been served, which is 41% of the 2024 goal. The water program will launch July 1. The max contributed to water will be \$750 per client. Once 1,000 are served in that program that will catapult numbers to the overall 2023 range of numbers. 2023 was a banner year for the total number of households served. In May Minneapolis residents served was 53.2% vs. 46.8% served in sub-Hennepin County.

**12. Executive Director Update:**

Dr. Hightower thanked all the committees for meeting and most making quorum. Dr. Hightower made the board aware of the recent IT breach the agency sustained. Dr. Hightower called on Mr. Blooflat to provide information on the breach. The breach occurred through a staff member's email. The email didn't show the typical signs that alert people to it being spam. For most, that opened the email on the outlook desktop, the attack failed. For those that opened the email in the browser, it cascaded through their contacts. The internal system presented the attack from spreading. This is a new attack and one that not many have seen before and as a result it is unclear what the intention of the attack was. Staff are still investigating with outside parties to ensure this doesn't happen again. IT support staff continue to train staff to know what to look for in a spam email and continue to update systems with security measures that could make it harder for attackers to gain access. The team is working with IT vendors to identify vulnerabilities with current systems. The breach was reported to the cybersecurity vendor. Commissioner Goettel asked if there was any obligation to report to the state, DEED, or vendors. Todd is working with insurance company on this.

**13. New Business:**

**a. Adjusted 2024 Agency Budget**

Staff request the board approve the adjusted 2024 agency budget. Mr. Myren made a motion, seconded by Mr. Smith. MOTION adopted and the adjusted 2024 agency budget was unanimously approved.

**b. 2024 Board Self-Assessment Survey Results**

This will be covered at the August meeting.

**c. No July Board Meeting**

**d. Line of credit renewal**

Mr. Blooflat presented. The current line of credit matures on August 11. This process needs to begin in order to prevent any lapse. The committee suggested increasing the ceiling amount to \$500,000. Mr. Blooflat has consulted with Bremer Bank, and they are open to the increase. The Finance committee approved the recommendation. Commissioner Goettel asked what the thought is of having this large amount. Mr. Blooflat shared that this is used as gap funding until reimbursements are received. Commissioner Goettel asked what the largest line of credit was previously accessed. Mr. Blooflat shared that amount was: \$175,000. The largest reimbursement that staff were awaiting was \$350,000. Commissioner Goettel stated that the agency does not have a general fund balance to tap into and that is part of the issue. Mr. Blooflat confirmed there is a very small fund. Commissioner Greene understands the structural need for this but what is worrisome is the agency is thrust into a cycle of needing to spend more money than what's coming in the door and the interest adding up as debt. Commissioner Greene suggested approving this motion with an (\*) that states the ED, Chair of Finance and a County Commissioner will call on each of the funders and state that due to money that is unable to be spent on overhead and being paid out immediately, operating on a reimbursement model and are spending more than we have is not a sustainable plan. Commissioner Edelson asked who is not paying within a reasonable timeframe. Dr. Hightower confirmed that it is DHS. Reimbursements can take up to two months before reimbursed. Dr. Hightower stated that the purpose of the Fund Development Task Force is in the process of developing the case study with a list of all funders to state the case. The board can assist with making connections with stakeholders and foundations. 99% of CAP-HC money is government funds administered through reimbursements. The cushion is needed and requires the increase to \$500,000. The interest rate is the same as the \$350,000 line of credit. Chair Commissioner Greene made a motion to approve the increased line of credit renewal amount, seconded by Mr. Pierre-Toussaint. The motion passed unanimously.

**14. Announcements/Information:**

The Board Roster, Board Calendar, Board Committee Assignments, and the Agency Dashboard were included in the Board packet for review. A link to the Board Portal on the agency website was also included on the agenda

**15. Adjournment**

The meeting adjourned at approximately 8:05 PM.

Next CAP-HC Board of Directors Meeting:  
Thursday, August 22, 2024  
6:30 – 8:00 pm

Our **Mission** Partner with community to provide effective and responsive services to reduce the impact of poverty in Hennepin County.

Our **Vision** Hennepin County without poverty

Our **Values** Strengthening Community, Eliminating Barriers, Creating Opportunities, Building Relationships, Responsible Stewardship, Equity and Inclusion