



BOARD OF DIRECTORS MEETING MINUTES

Thursday, September 26, 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	Victoria Chambers	P
Tray Douglas	P	Brian Smith	E
Kathilyn Solomon	E	Council Member Emily Koski	P
Miles Wilson	P	Council Member LaTrisha Vetaw	P
Dimitri Audie	E	Commissioner Heather Edelson	P
Solomon Ogunyemi	P	Commissioner Debbie Goettel	P
Tyanna Bryant	P	Adriana Cerrillo	P
Jim Lehman	E	Council Member Dr. Kimberly Wilburn	E
Josh Schaffer	P	Commissioner Marion Greene	P
Dominique Pierre-Toussaint	E		
Kevin Myren	E		

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

Guest Present: Maggie Kohl (Councilmember Vetaw), Melissa Hill (Councilmember Koski).

1. Call to Order/Roll Call:

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

2. Review and Approval of September 26, 2024, Board Agenda:

Chair Schaffer asked if there were any changes to the September 26, 2024, Board Meeting Agenda. There were no changes. Ms. Bryant made a motion to approve the agenda, seconded by Commissioner Edelson. MOTION adopted and the agenda was unanimously approved.

3. Review and Approval of August 223, 2024, Board Minutes:

Chair Schaffer asked if there were any changes to the August 22, 2024, Board Meeting Minutes. There were none. Ms. Bryant made a motion to approve the minutes, seconded by Commissioner Edelson. MOTION adopted and the minutes were unanimously approved.

4. Study Sessions:

a. Fiscal Year 2025 Budget Timeline and Assumptions:

Mr. Blooflat presented. Each year the annual budget for the upcoming year is created in September. The timeline explains the processes the agency goes through to create the budget, review the budget, gather input from the board, revise and finalize the budget. The final budget is presented to the committee and board in November. Once approved, a Budget Book is created and emailed to the board in November. The Budget Book is also presented to the board in December for approval. The Budget Book will include CAP-HC history and programs, previous audits, narratives, and overall and individual program budgets. **Agency Revenue (What is known at the time the outline was created)** Highlights included: **Federal Grants** - The CSBG Grant has a full year remaining on the current grant. A two-year grant will be applied for in May 2025. The CSBG Grant portion would then be available October 2025 – December 2027. Flat funding is estimated at \$437K. The Low-Income Home Energy Assistance Program Grant (EAP) is estimated at \$2.4M. The challenge for the 2024 program year was met. There was no money taken away, the season ended on time, and there was no need to get support from other CAP agencies to process applications. **State Grants**- There is six months left of the current MCAG Grant, \$805K. There was an increase in funding for 2023/24 season due to a surplus in State funding. It is unknown if this will be the case for the 2024/25 season. The new grant begins July 2025. A flat funding amount of \$488K is estimated. **Foundation Funding**- An Otto Bremer Trust Grant was received for \$42K, August 2024 – July 2025. A Cummins Foundation Grant was received for \$63K, August 2024 – July 2025. **Agency Expenditures**-The Finance and Audit Committee suggested a modification to the Projected Wage Increase from 2.5%-3.5% to 3%-3.5%. Health Insurance Increase: 10%, Dental Insurance Increase: 5%, Unemployment Insurance Increase: 2.5%. The Unemployment Insurance increase is expected due to the increase in furloughed staff last season and the length of furloughs. Short-Term & Long-Term disability will remain at 5%. Final number will be presented to the Finance and Audit Committee and board in October. Commissioner Goettel would like to have discussions about creating guidelines to build fund balance to eradicate the need of regularly accessing the line of credit. Chair Schaffer asked if staff could create such a guideline before the November meeting. Dr. Hightower interjected that later in the

meeting there will be a motion to standardize the Fund Development Task Force, making this a regular committee. This committee would address these financial concerns and create the guidelines to present to the board. This will likely not happen until early 2025. Commissioner Goettel agreed that this will take some time and consideration. Commissioner Edelson agreed with Commissioner Goettel on the need to be proactive around the state of the agency's finances.

b. Board Duties and Responsibility Training DHS, OEO

Mr. Urman provided the annual training. Here are a few key highlights from the training. Community Action Agency Boards must balance their governance. Board members collectively are legally and ethically responsible for all agency activities. Key indicators that a board is high performing are good attendance and participation in board and committee meetings, members receive information in a timely manner, agendas are set, and minutes are recorded correctly. Board members must be trained and oriented in a timely manner. Board members should understand the fiscal responsibilities of the board and the financial standing of the agency. A few key indicators that the agency is high performing are positive reports from funders, low staff turnover, and adequate cash reserves. Identifiers the agency may be at risk: The board receives too little/too much information without details or purpose, meetings are under attended with little committee participation, board positions a vacant long-term, and a robust review of the Executive Director is not completed annually. All board members should understand the Executive Director's position description. Other indicators the agency may be at risk are monitoring reports cite late or inaccurate reports, poor program performance, or compliance issues. **Good Governance.** Board members should attend meetings and actively participate. Board Committees should facilitate decision-making. Board meeting minutes should accurately reflect actions and discussions. The board should ensure adequate organizational resources are in place. **Tripartite Board.** Community Action boards have a tripartite board structure. The board consists of members from the community, public, and private sectors. A minimum of 1/3 of the board must be low-income/community sector. **Bylaws.** The bylaws of Community Action Agencies define the way the board will accomplish the business of the agency and include the responsibilities of the board and committees, meeting frequency, procedures, and term limits. The bylaws can be amended to best meet the needs of the agency. **Diversity.** The board has a responsibility to uphold diversity amongst its members. **Fiduciary Duties.** The board is responsible and liable for the agency. The board and the law require every board member to follow the rule of the reasonable prudent person and the principle of good faith. The reasonable prudent guideline uses the principles of common sense and reasonable risk. **Conflict of Interest.** When making decisions, directors must not be acting

on matters that effect him/her. **Duty of Obedience.** Directors have a duty to follow the organization's governing documents, to carry out the organization's mission, and to assure that funds are used for lawful purposes. Directors must comply with relevant state and federal funds. **Board Minutes.** The minutes should contain enough information to be useful in the event they need to be referenced or offered as evidence that actions were properly taken or that directors fulfilled their fiduciary duties. **ROMA (Results Oriented Management and Accountability).** This is the system to ensure funds are spent as intended and that the agency is being a good steward of resources. The agency must connect what they are doing to what they are expected to achieve. **Resources.** CAPLAW website: Tools for Top-Notch CAAs. National Community Action Partnership. The National Association of State Community Service Programs. **Conclusion.** Any questions about board roles & responsibilities, organizational Standards, CSBG, Annual Plans, or Annual Reports can be directed to Marcel Urman at: marcel.urman@state.mn.us. A copy of the slides was shared with all board members.

5. Financials

a. **July 2024 Financials:**

Mr. Blooflat presented the July financials. The Statement of Financial Position shows the line of credit balance at \$214K. This is higher than previous years. With summer months being slow energy assistance times, funding is heavily reliant on the CSBG/MCAG Grants which are slower to administer reimbursements. There were delays on OEO receiving funding from the state in July. All these factors contributed to the need to access the line of credit heavily in July and August. The State of Expenditures reflect the third month of adjustments to the administrative billings to the DEED Direct Appropriation Grant. There was a large positive change in net assets in the month of July. The positive change in net assets for the year are \$8.8K. This is \$19K above the projected change in net assets, after the adjusted budget. Direct Client Services has been higher and spending faster. Adjustments have been made for the remaining six months. Chair Schaffer accepted a motion to approve the July financials, subject to audit. Commissioner Edelson made a motion, seconded by Commissioner Goettel. All were in favor and the July financials, subject to audit, were unanimously approved.

b. August 2024 Cash Flow Projections:

Mr. Blooflat presented. For the third straight month the month has ended in the negative. August ended at (\$108,211). At the end of the month rent and benefits are due. Cash will remain right around zero for the foreseeable future, making it necessary to access the line of credit. The Federal Reserve recently reduced interest rates by 0.5%. Commissioner

Edelson asked what some solutions are to address the cashflow challenges. The commissioner is very concerned with the current state of cashflow and the projections. The need to repeatedly access the line of credit is concerning to the commissioner. Mr. Blooflat shared this has been an issue for several years. Goettel recommends strong conversations with not just the board but also the state to address delayed payments and how to stabilize the financial forecast. Commissioner Edelson would like to have a separate call with Dr. Hightower to think creatively about solutions. Dr. Hightower agreed that conversations need to happen, but ultimately more dollars are needed in the agency.

6. Grant Application Report:

Ms. Krolik presented the Grant Application report through August. The request for \$50K from Allianz, to support employment readiness was denied. The CAP-HC proposal was in the top 20. The organizations they chose to fund scored higher than CAP-HC. The other organizations were in the Frogtown/St. Paul area, the grantor's focus areas, and their programs had stronger results. A request was approved from Otto Bremer Trust for \$42K to support the emergency rental program. The \$28K reduction was received from United Way through a separate partnership with Otto Bremer Trust. Ultimately the \$70K was received, just allocated differently. The \$28K was also unrestricted funding. The request to Old National Bank for \$15K was approved to support employment readiness. There may be opportunities to partner further with their community development department.

7. Finance and Audit Committee Update:

Mr. Blooflat presented. The Finance and Audit Committee met; a quorum was present. The Financial and cashflow statements were reviewed in depth. Dr. Hightower briefed the committee on the line of credit usage and legal issues. There are no new legal matters, and the previous matters were dismissed with no findings. The budget timeline was discussed. The committee is working on an Operating Fund Policy. The committee recommended some modifications to the policy and staff will present the policy to the committee and board in October.

8. Human Resources Committee Update:

The HR Committee met, and a quorum was present. The minutes and agenda were approved. Ms. Peters shared a recruiting and hiring update. There are seven open positions, including the Executive Assistant position. Recruiting is happening internally for the Executive Assistant position. The Director, Client Services, position is open; however, recruiting has been paused for this position until early 2025. Ms. Peters shared employment relations updates. There were a couple employee relations cases with the state that have been recently closed, with no findings. Energy Assistance staff returned to work on August 26. The all-staff annual picnic convened on September 20 and went well with good attendance and

engagement. Ms. Peters said the overall state of the agency is good. An outside consultant will facilitate a development training series for all staff this fall. Commissioner Greene shared about a pathways program the county provides for clients to receive training and then are later hired to work for the county after successful completion of training. The Commissioner raised this as a potential option for CAP-HC.

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

The committee met and a quorum was present. All regular reports were reviewed. Ms. Alto presented the monthly Program Data Report. Ms. Barkley presented the Grant Application Reports and the Greater Twin Cities United Way Summary. Ms. Barkley presented the Grant Expenditure Status Report. Most grants are on pace. The DEED Lift to Work Grant is tracking behind, so all Vehicle Repair Clients have been shifted to this program, to expedite spending. There are two additional requirements for this grant. Client must participate in financial wellness classes and be employed or actively seeking employment to qualify for this funding. The Homeowner Capacity Grants continue to be challenged but recently staff received approval to allocate some of this funding to support financial wellness. Energy Assistance staff returned to work on August 26 and have started processing applications, with 200 approved so far. Modified program criteria and verification processes have significantly improved application processing time. Recruiting efforts are in progress for remaining open Energy Assistance positions. The Energy Assistance program season starts on October 1.

10. Fund Development Task Force Update:

Chair Schaffer shared Give to the Max Day is November 21. The goal this year is to raise \$12K and have 30 new donors. Two donors have committed to match donations of \$1K each. Ms. Krolik can provide more information on matching grants. The Task Force is working to create peer-to-peer fundraising tools, and more information will be provided on this at the next board meeting. For members that can't donate monetarily, you can share information to social media in personal networks or share your story on video. Ms. Krolik can coordinate this effort as well. Under New Business there is an item to transition this task force to a standardized committee.

11. Monthly Program Data Report:

Ms. Alto presented. In the month of August 121 households were served. There was an almost 50/50 split for households served in Minneapolis compared to households served in sub-Hennepin County. YTD, 12,673 households have been served. Emergency Rental is steadily processing the allocated 20 applications per month. Vehicle Repair staff are working to spend down the DEED grant and

served 10. Energy Assistance numbers are zero due to the program not running during the summer months. Staff returned to work the end of August. Households can not be officially approved until funding arrives, typically October – November, so this number will remain low until that time. YTD total numbers served is 5,000 less than this time last year.

12. Executive Director Update:

Dr. Hightower did not provide an update due to the longer board meeting and late hour. He will send an email with important information he needs to share.

13. New Business:

A. Greater Twin Cities United Way Grant Summary:

Ms. Krolik presented. This is a 3-year general operating grant for \$150K total, \$50K per year. CAP-HC will request the general operating support for employment readiness. The grants are unrestricted; however, program specific outcomes, for employment readiness, must be tracked and reported on. Adults must enter the workforce prepared for skilled employment and increased wealth. The request is due on October 15. Due to the request being over \$75K, this does require board approval. The request has been presented to the Finance and Audit Committee and the P & E Committee. Chair Schaffer accepted a motion to approve the application, Commissioner Edelson made a motion, seconded by Commissioner Goettel. MOTION adopted and application was unanimously approved.

B. Transition of Fund Development Task Force to a standardized committee:

Chair Schaffer presented. The Fund Development Task Force aspires to establish a special committee, per the bylaws, to continue the fund development work and to get the agency on a stable funding path and create fund opportunities outside of the traditional funding streams. This committee will have regular committee members, regular meetings, and standing items to review. The roles and responsibilities list all focus areas of the committee. Chair Schaffer accepted a motion to establish the Fund Development Special Committee. Commissioner Goettel made a motion, seconded by Ms. Bryant. All were in favor, MOTION adopted and the Fund Development Special Committed was unanimously approved.

C. Fiscal Year 2025 Budget Timeline and Assumptions:

Chair Schaffer accepted a motion to approve the FY 2025 Budget Timeline and Assumptions. Commissioner Goettel made a motion, seconded by Ms. Bryant. All were in favor, MOTION adopted, and the FY 2025 Budget Timeline and Assumptions was unanimously approved.

D. Reseating Board Member Antanisha Spears – Community Sector

Chair Schaffer accepted a motion to approve the reseating of Antanisha Spears to the Community Sector. Ms. Bryant made a motion, seconded by

Commissioner Edelson. All were in favor, MOTION adopted, and the reseating of Antanisha Spears to the Community Sector was unanimously approved.

14. Announcements/Information:

Chair Schaffer reminds members to complete and send their 2024 Conflict of Interest Statements to Dr. Hightower at chightower@caphennepin.org.

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 8:08 PM.

Next CAP-HC Board of Directors Meeting:
Thursday, October 24, 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