

BOARD OF DIRECTORS MEETING MINUTES

Thursday, October 24, 2024, 6:30 – 8:00 pm

Zoom: [Login](#)

Dial-In: +1 312-626-6799

Meeting ID: 821 3771 4064, Passcode: 455469



Community Action
Partnership of Hennepin County

MINUTES

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

CAP-HC Staff Present: Dr. Clarence Hightower, Todd Blooflat, Tammy Alto, Gayle Peters, Lia Kang, Katherine Castille, Jalynn McLaughlin, Theresa Lumpkins

Guest presents: Maggie Kohl on behalf of Council Member LaTrisha Vetaw

Call to Order/Roll Call – Chair Schaffer:

Chair Schaffer called the meeting to order at approximately 6:32 PM. A quorum was present.

Review and Approval of October 24, 2024, Board Agenda – Chair Schaffer:

Chair Schaffer asked if there were any changes to the October 24, 2024, Board Meeting Agenda. There were none. Commissioner Goettel made a motion to approve, seconded by Ms. Bryant. MOTION adopted and the agenda was unanimously approved.

Review and Approval of September 26, 2024, Board Minutes – Chair Schaffer:

Chair Schaffer asked if there were any changes to the October 24, 2024, Board Meeting Minutes. There were none. Commissioner Goettel made a motion to approve, seconded by Ms. Bryant. MOTION was adopted and the minutes were unanimously approved.

Study Sessions:

Operating Reserve fund Policy – Mr. Blooflat:

Mr. Blooflat presented. The term “aspirational” is being used because CAPHC first needs to fund the base operating cash fund, which is about 60 days or 2 months (about \$1.17mil) to function while we wait for reimbursement of government funding. It discusses funding the reserves, use of reserves and

how it would be approved and repaid. This will be a part of the Financial Policy Manual. The Financial Policy Manual gets reviewed every three years and presented to the Finance Committee and the Board for approval. It will set up how CAPHC will account for, fund and maintain the fund reserve.

b) Merit Range Recommendation – Dr. Hightower:

Dr. Hightower presented. CAPHC is seeking a 3% compensation increase. It's historically in line with the last 10 years' compensation increases. This has ranged from no increase to a 5% increase, averaging 3-3.5% over the last 10 years. A 3% increase would be around \$100k increase to the budget and has been factored into the 2025 budget. Staff are also being asked to pay more for their health insurance this year.

c) Financial Sustainability Roadmap – Dr. Hightower:

Dr. Hightower presented. Chair Schaffer previously asked Dr. Hightower to come up with a path going forward for more sustainable operations in the future. Dr. Hightower created a PowerPoint outlining the steps to financial stability and how CAPHC got to its current state. The agency is trying to get away from continuous use of the line of credit. In 2017 and 2018 CAPHC was put under a Quality Improvement Plan (QIP). If points in the QIP aren't corrected, the agency risks being defunded, the ability to operate as a CAP organization etc.. CAPHC inherited 38 corrective action steps between the 2 QIPs. These were in every area of the organization including governance, human resources, finance, and planning and evaluation. CAPHC met with OEO in December 2022 and was removed from both QIPs. The focus then shifted from getting out of the QIPs to financial sustainability. CAPHC has created a fund development task force within the board and an internal revenue diversification work group composed of CAPHC staff members. At the last board meeting the fund development task force transitioned into a 3-year special committee focused on raising unrestricted funds. Government dollars are reimbursable and there are delays when receiving funds, which has made fundraising difficult since CAPHC is heavily government funded. CAPHC has zero earned income whereas some CAPs have building rentals, thrift stores or hold large golf tournaments to raise funds. Large organizations don't feel CAPHC needs help because of the state funds received. OEO gave an advance of \$250k which CAPHC had to pay back by the end of the year. Since no other agency was receiving an advance, around 2021 CAPHC stopped receiving one from OEO but was allowed weekly billing. In December 2023, OEO stopped also stopped allowing this arrangement. Dr. Hightower has presented a joint effort to raise \$250k for the agency by December 2026. Dr. Hightower's family started with an initial donation of \$5k. The goal is to build an agency reserve.

Short-Term strategy: go to the state and ask to go back to weekly billing for 1 year. OEO said no.

Mid-Term strategy: collaboration from partners on figuring out how to put CAPHC in their budgets (Hennepin County and larger cities). Also seeking fiscal agency opportunities.

Long-Term strategy: Work to change narratives with foundations and corporations, find additional grants that pay upfront, and contract help where reimbursements are based on production. A case that resonates with potential funders and a fertile contact list is necessary.

Financials – Mr. Blooflat:

a) August 2024 Financials

Mr. Blooflat highlighted CAPHC ended with a positive change in net assets of \$24.5k which gives a positive for the year of about \$33k. Received \$28k unrestricted grant from United Way in August. On schedule with percentages of total revenue and total expenditures.

Chair Schaffer asked if there were any questions about the August 2024 Financials. There were none. Mr. Smith made a motion to approve, seconded by Commissioner Edelson. MOTION was adopted and the August financials were unanimously approved.

b) September 2024 Cash Flow Projections

Mr. Blooflat presented. Finished with a negative number (negative \$87k) for the 4th straight month. Due to timing, CAPHC is usually waiting for a large reimbursement from OEO, typically received right after the next month starts. Over the summer the agency didn't have LIHEAP funding because the program closed at the end of May. Most of the LIHEAP money was spent at the end of May and some of the funds had to be saved for September when staff came back from furlough. October/November the deficit starts to shrink and becomes positive for December-March mainly because LIHEAP funding is available to help control the cash flow.

Grant Application Report – Ms. Krolik:

This topic was moved to the next board meeting.

Finance and Audit Committee Update – Mr. Blooflat:

Mr. Blooflat discussed the August financials and September cash flow report. Also talked about the compensation pool proposal and operating reserve fund policy. Currently at zero for the line of credit. No updates regarding legal concerns. Briefly discussed road map to financial stability.

Human Resources Committee Update – Committee Chair Chambers:

Committee Chair Chambers presented. The committee voted on and adopted September minutes. There are a couple of long-term employees that are leaving Client Services and are candidates in the pipeline for these vacant positions. There are two positions open with new hires in both Energy Assistance and Client Services. No employee relations concerns. There was an employee engagement survey launched last week, 34% response currently with a goal of 90%, deadline to complete it is November 4.

Planning and Evaluation (P&E) Update – Committee Chair Bryant:

Committee Chair Bryant presented. No quorum, moved voting of October 21 agenda and September 23 minutes electronically. Waiting for Energy Assistance program funding, with the program starting October 1st. Water program has been paused as of October 21 to process influx of applications. Ms. Peters has been interim Client Services Director since week 2 of August. Client Services has a new hire that started last week doing the VITA Tax Program, Employment Readiness and FAIM. Next meeting is moved to December 2 due to Holiday.

Fund Development Committee Update – Mr. Lehman:

Mr. Lehman presented. No meeting, attempting to reschedule for next week or the near future. Give to the Max Day is Thursday November 21 with early giving starting November 1. It's the largest day of

giving in Minnesota for the nonprofit sector. CAPHC's goal is \$12k and bring in 29 new donors during Q4. There are already 2 donors that have committed \$1k each to the matching grant to help raise funds. Board members are invited to add to the matching grant in hopes of increasing the matching pool to \$5k. Board members are also encouraged to share social media content and give information with their network on how to support CAPHC's campaign.

Monthly Program Data Report – Ms. Alto:

Ms. Alto presented. She reported 104 clients served in September with a YTD of 12,777 clients served. She gave updates on program activity. There were no questions.

Executive Director Update – Dr. Hightower:

Ms. Khang presented the 2025 Budget Preparation: Wage increase is 3%, health insurance 15.9% premium increase with the new health plan being sought. Dental insurance was estimated at a 5% increase but will be 2.5%. Short/long term disability premium will not go up. Volunteer Income Taxpayer Assistance (VITA) grant period is 10/2023-8/2024 with an initial \$26k received and an additional \$36k awarded in October which will be added to 2025 budget. The 2025 budget draft was sent out to each department director for mark offs and comments. Next week a draft should be ready for final review. The budget is balanced.

Ms. Castille presented marketing updates: Fundraising efforts are gearing up. 1 fundraising letter has been sent and there will be 2 more sent out by the end of the year. The \$20k kitchen remodel for a client family is in contract negotiation with a content creator to humanize the family that wins the remodel. The project is planned to be finished by the end of the calendar year. The website redesign is ready to be launched by the end of the calendar year after a comprehensive feedback phase that included input from staff, board members and clients. The project is currently in the implementation phase. The database project will continue into next year. The goal is to find ways to streamline application processing for both staff and clients, as well as make reporting easier. There have been RFPs sent out, and it's expected that about a dozen firms will respond.

New Business – Chair Schaffer:

Operating Reserve Fund Policy

Chair Schaffer asked if there were any questions regarding the Operating Reserve Fund Policy. There were none. Commissioner Goettel made a motion to approve, seconded by Commissioner Edelson. MOTION was adopted and the Operating Reserve Fund Policy was unanimously approved.

Merit Range Recommendation

Chair Schaffer asked if there were any questions about the Merit Range Recommendation. There were none. Commissioner Edelson made a motion to approve, seconded by Ms. Bryant. MOTION adopted and the Merit Range Recommendation was unanimously approved.

Announcements/Information:

No announcements

Adjournment

The meeting adjourned at approximately 7:53 PM.

Next CAP-HC Board of Directors Meeting:
Thursday, December 5, 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