

BOARD OF DIRECTORS MEETING MINUTES

Thursday, April 24, 2025, 6:30 – 8:00 pm

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Dial-In: +1 312-626-6799

Meeting ID: 821 3771 4064, Passcode: 455469



Community Action
Partnership of Hennepin County

MINUTES

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

CAP-HC Staff Present: Dr. Clarence Hightower, Todd Blooflat, Tammy Alto, Kendra Krolik, Lia Kang, Katherine Castille, Marquita Wagner, Brittany Wiese, Jalynn McLaughlin

Guest presents: Ms. Marie Primus

Call to Order/Roll Call – Chair Myren:

In Chair Schaffer's absence Mr. Myren is acting as board chair. Chair Myren called the meeting to order at approximately 6:37 PM. A quorum was present.

Review and Approval of April 24, 2025, Board Agenda – Chair Myren:

Chair Myren asked if there were any changes to the April 24, 2025, Board agenda. Commissioner Goettel made a motion to approve the agenda, seconded by Commissioner Edelson. MOTION adopted and the agenda was unanimously approved.

Review and Approval of March 27, 2025, Board Minutes – Chair Myren:

Chair Myren asked if there were any changes to the March 27, 2025, Board minutes. Commissioner Goettel made a motion to approve the minutes, seconded by Commissioner Edelson. MOTION adopted and the minutes were unanimously approved.

Study Sessions:

a) **2024 Audit and IRS Form 990** – Ms. Marie Primus

Mr. Blooflat introduced Ms. Marie Primus. She will be presenting the 2024 Audit and Form 990. Statement of Activities: There was a jump in revenue because it was the first full year of DEED Direct Appropriation funds, which was just under \$3 million compared to \$800k the previous year. This was offset a bit because there was a decrease in government grant funding, specifically LIHEAP. Change in net assets increased by about \$61k compared to \$10k the previous year. Expenses did increase but most were related to sub granted out. Total salaries and wages decreased this year due to lower staff numbers. Outreach advertising expenses were lower since less expensive methods were used this year.

***BOLD** denotes Action Item for approval

Rent or occupancy decreased as well because of the agency changing locations. There was no line of credit balance at the end of 2024 but it was heavily used throughout the year and will show on the statement of cash flows. CAP-HC is at an all time high when it comes to funding and expenditures.

Statement of Cash Flows: There was no new debt or major purchases.

Communications Letter: In addition to the audit CAP-HC receives a communications letter. This will disclose if the audit didn't go well or went well. For 2024 CAP-HC received a clean unmodified opinion. There were no disagreements, no material audit adjustments, and no internal control findings.

Audit: This year it was required that two major programs be audited (CSBG and LIHEAP). There were no compliance or internal control findings for both grants. CAP-HC will continue to have a low-risk auditee status, which potentially allows the agency to undergo fewer single or major programs audits.

Statement of Financial Position: A lot of the ups and downs were due to timing. Nothing is significantly different from the previous year.

Donors and funders use a ratio that takes all the expenses for the year and divides them into different categories: 1. Programs Service (mission based), 2. Management and General, 3. Dollars Used to Raise Funds. If 70%-90% of expenses are in the Programs Service (mission based) category, the Charities Review Council deems it good and where you should be. CAP-HC is at 86%.

Net Assets: The more reserves a nonprofit has, the longer the agency has to make decisions. When removing net assets without donor restrictions and what's sitting in fixed assets, the agency ends up at \$341k for the year. If this is spent at the same rate as 2024 in 2025, CAP-HC has about .46 months worth of reserves. Other CAPs have about 1-3 months of reserves. Raising funds so CAP-HC can have a larger reserve is a big focus for the organization's major funders and they'd like to see the agency have about 3 months' worth.

Financial Statements: Areas to pay attention to are Revenue Recognition and Concentrations. There are three major funding sources, if one was removed the agency's financial situation would look different. This is a required disclosure anytime 10% or more of revenue comes from one source.

Recommendations or Best Practices: There was follow-up requested from a HUD monitoring report received in June 2024 and due to turnover the follow-up information was never sent. A suggested best practice is having internal controls put in place so that requests like this don't get overlooked or fall off. The requested information was sent to the monitors on March 7. Seeking opportunities to remove donor restrictions on some of the funds CAP-HC is receiving is also recommended. Diversifying funds and building reserves because of government funding uncertainty and to limit line of credit usage is recommended.

IRS 990: Operations were similar from the previous year to this year, there was nothing of concern to the auditors. The form needs to be filed by May 15, and so approval from the board is being sought.

Succession Planning: It is strongly recommended that CAP-HC has a succession plan in place for key staff members.

b) FFY2024 CSBG Annual Report – Ms. Krolik

At the start of the calendar year, there's an annual report created for the MN Office of Economic Opportunity. It summarizes the uses and impact of CSBG (Community Services Block Grant) and MCAG (Minnesota Community Action Grant) funds, two of the three major funding sources. All CAP agencies are required to complete this report and share a summary with their boards. The data from all agencies across the country is combined for a national report to Congress. The report being shared tonight is for FFY2024 (October 1, 2023-September 30, 2024). There are four modules on the report;

1. Management Accomplishments and Innovative Solutions:

Improvements to the client experience—making program information more accessible to clients and streamlining program applications. There was confusion between program eligibility requirements for various programs. Staff then created a base intake form that will be used for five

of the agency's programs. The program information on the website was standardized to clearly communicate key program information.

Programmatic and Technology Improvements: Increased the efficiency of Energy Assistance application processing by 30%. This included a new triage system to address emergency situations and utilize status reports so that applications not in an emergency status are worked in the order received.

Innovative Solutions: Process improvements made to the Water Assistance Program, including a new workflow, a redesign of the application to make it consistent with other programs, and the creation of new guidelines when processing those applications.

2. CAP-HC Expenditures, Capacity and Resources: The total CSBG spending for October 1, 2023 to September 30, 2024 was about \$1.85 million and the total amount leveraged was about \$22 million. There was just under 1800 hours spent on training, planning and assessment activities and 385 hours donated from volunteers. CAP-HC had 64 partnerships with other organizations.
3. Community Level Work & Activities: For FFY24 CAP-HC continued its Community Violence Prevention work with 21 Days of Peace (Fall 2021 inception). This is the DEED Appropriation grant that is sub granted to two grassroots organizations, A Mother's Love and Salem Inc, to deliver the violence prevention work in Minneapolis. These organizations have been working with local black churches to provide crisis intervention and violence prevention in the community. There have been multiple teenagers who used to struggle in school have successfully graduated from high school. The subgrantees also assisted 17 clients that participated in the financial literacy programs and found permanent housing.
4. National Performance Indicators (NPI); Individual & Family Services and Client Characteristics: These show the various outcomes for services provided. There were 14 outcomes reported for this period, including the number of unemployed adults who have obtained employment and how many households avoided eviction. CAP-HC provided 34 separate services reported and served just over 51,000 individuals. Demographic information was also reported and is included in the agency's dashboard that's included in the board packet.

c) 2023-2025 Strategic Plan Update – Ms. Krolik

Staff provide updates twice a year on the strategic plan. The last update shared with the board was in August 2024. There are five focus areas.

1. Aligning Program Operations for Community Impact:
Successes- Staff improved the processing time from 57 days to 26 days for the Energy Assistance Program. The new website was also launched in February. It has more accessibility features and is faster.
Challenges- The client's financial need outweighs CAP-HC's capacity to provide the services.
2. Building Community Wealth through Collaboration:
Staff continue to partner with service providers that support CAP-HC's mission
Challenges- There is concern the DEED Subgrantees may not meet the established benchmarks by the June 30, 2024 deadline.
3. Affecting Policy to Build Momentum for Systemic Change
Successes- In partnership with Renewal Experts Construction, CAP-HC completed a kitchen remodel giveaway in December. Staff also collaborated with MinnCAP on advocacy to try and advance a bill for MCAG and FAIM funding during the 2025 legislative session. There were four staff members that participated in Day on the Hill for Community Action. The MCAG funding bill did not advance but the FAIM bill did get through the committee and continues to move through legislation.
4. Activating Change through Robust Funding Development

Successes- The fund development task force has transitioned into a committee comprised of four members.

Challenges- There were only 12 new donors in 2024 with a goal of 30. Declining donors is a sector-wide trend

5. Investing in Team Members for a Thriving CAP-HC

Successes- Have hired a new Client Services Director. Staff are also utilizing the wellness rooms that each office location has.

Challenges- It's possible that funds will not be available in time to bring back Energy Assistance staff before the program year starts on October 1.

Councilmember Koski asked what benchmarks the subgrantees delivering violence prevention were supposed to meet. Dr. Hightower shared there were benchmarks for the subgrantees set in the contract when CAP-HC received the DEED Direct Appropriation grant. This included how many jobs the two subgrantees provided for the community and how many residents they've helped get to college. By June 30, the subgrantees should have provided 450 new jobs but are projected to reach about 350. They also should have helped 50 students attend college, but the actual number is projected to be a lot less. Benchmarks like these are causing concern for staff. Chair Myren asked staff to provide board members with a report of what the goals were in the grant, what the actual numbers were and what the barriers were once the grant period ends June 30.

Ms. Bryant voiced concerned over possible controversy with New Salem Inc and asked how the grassroots programs were selected as subgrantees. Dr. Hightower shared that CAP-HC did not select the subgrantees for the DEED DA grant. There was a legislative direct appropriation and the legislator that wrote it selected who would be receiving the funds. CAP-HC was then selected as a fiscal agent but had no role in who would receive the grant or how much they'd receive. Ms. Bryant asked if it was Senator Champion that wrote the direct appropriation grant to which Dr. Hightower confirmed. Commissioner Goettel expressed her concern over when funding will come in or not. She asked if CAP-HC has come up with a contingency plan in case the funds are not received. Dr. Hightower shared that staff are being thoughtful about it but are challenged with having three major funders and the ability to replace the money they provide. Commissioner Goettel suggested making plans around staffing prioritizing operations.

Financials – Committee Chair Myren:

a) January 2025 Financials

The agency had \$125k in cash at the end of January. Revenue was about \$117k below the year to date budget. This is mainly impacted by the Direct Appropriation grant that has less revenue coming in and is almost exactly offset by the decrease in Direct Appropriation expenses. The actual year to date change was a loss of under \$11k.

Chair Myren asked if there were any changes to January 2025 financials. Commissioner Goettel made a motion to approve the financials, seconded by Commissioner Edelson. MOTION adopted and the January financials were unanimously approved.

b) February 2025 Financials

Cash at the end of February decreased compared to January, ending with a negative of about \$72k. There is a continued delay in reimbursements from the State. Revenue for the first two months of the year is at about \$1.5 million vs the budget of \$1.6 million. There was about \$65k more in grant revenue and almost \$195k less in Direct Appropriation. Expenses for the Direct Appropriation offsets at about \$178k. At the end of February CAP-HC lost about \$3,700.

Chair Myren asked if there were any changes to the February 2025 financials. Commissioner Goettel made a motion to approve the financials, seconded by Commissioner Edelson. MOTION adopted and the February financials were unanimously approved.

c) March 2025 Cash Flow Projections

CAP-HC is running either negative or tight when it comes to cash. Due to the lack of diversified funds and the delay in receiving reimbursements from the State, staff have needed to utilize the line of credit more frequently than in previous years.

Grant Application Report – Ms. Krolik:

Ms. Krolik presented the grant activity through March. There were 3 proposals submitted to support the housing programs. The first was a \$6000 request to the Edina Realty Foundation. The second was a \$7500 request to the Minneapolis Area Association of Realtors and the third was a \$15k request to the Anderson Corporate Foundation. Staff are currently working on a handful of general operating requests that will be shared with the board next month.

Finance and Audit Committee Update – Committee Chair Myren:

Committee Chair Myren shared the committee met and had a quorum. Staff reviewed the monthly financial statements and cash flow. The auditors also went into a deep dive of the 2024 Audit Report and Form 990. Ms. Kang gave her version of the elevator speech and received a legal update. The committee spent a lot of time on federal legislation and funding that may impact CAP-HC.

Human Resources Committee Update – Committee Chair Cerrillo:

Dr. Hightower shared the HR Committee did not meet this month.

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

Committee Chair Bryant shared the committee met but did not reach a quorum. The action items will be moved to the next committee meeting. The committee went over the monthly program data report. Ms. Barkley went over the grant application and expenditure reports. Some program highlights were the Energy Assistance and Water programs continue to process applications. Energy Assistance is likely to run out of money sometime this week. Staff will continue to process applications and once funds are received payments will be made to households in batches. This is similar to Energy Assistance program operations at the beginning of the season. Staff hope to receive the remaining funds by September 30. Staff furloughs have started as of the first week in April and will continue into June. Ms. Bryant presented her version of the elevator speech.

Fund Development Committee Update – Committee Chair Lehman:

Committee Chair Lehman shared the committee met. This is a newer committee and had a slow start, but the last few weeks have been successful. CAP-HC received an unrestricted grant from United Way in the amount of \$216k payable over the next three years. CAP-HC will receive \$36k of this grant in 2025. There was also a \$5000 donation from an individual Dr. Hightower and Mr. Lehman met with. Staff and a couple of committee members will be meeting with Riverbridge next Wednesday. Mr. Lehman had a phone call with a staff member at Blaze Credit Union and will be adding it to the prospect list. Currently, there is a list of over 50 potential funders. Staff did receive an update that the request from the Schulze Family Foundation was denied. Mr. Lehman expressed the committee would appreciate if the rest of the board would share any leads or contacts to potential funders.

a) CAP-HC Elevator Speech

Dr. Hightower explained the purpose of the elevator speech is to get board members and staff comfortable talking about CAP-HC when speaking with community members and potential funders. Ms. Bryant gave her version of the elevator speech.

Monthly Program Data Report – Ms. Alto:

Ms. Alto presented there were 2974 services provided to clients. There was a slight edge to Minneapolis over Suburban Hennepin at 53.3% vs 46.7%. Energy Assistance, Energy Assistance Crisis, Energy Related Repairs, Emergency Rental Assistance and Financial Wellness Counseling and Workshops all had a strong month. Year to date there were 8847 services provided, with a slight edge to Suburban Hennepin (50.2%) over Minneapolis (49.8%). At the end of February there has been 29.8% of the 2025 target met.

Executive Director Update – Dr. Hightower:

Ms. Castille shared that May is Community Action Month and is celebrated by the network across the states. Board members can engage by making a one time or recurring donation in any amount. Ms. Castille has reminded the board that the Fund Development Committee has asked that every board member contribute as it looks good to potential funders when there is 100% board giving. Board members can also participate by talking about CAP-HC with their networks and let them know about all the programs offered and work done in the community. Board members are also encouraged to like and share CAP-HCs social media. Ms. Castille also encouraged board members to connect their network of potential funders to CAP-HC staff.

a) April Recap

This item is included in the packet as an attachment.

New Business – Chair Myren:

a) **2024 Audit & IRS Form 990**

Chair Myren asked if there were any changes to the 2024 Audit & IRS Form 990. Ms. Bryant made a motion to approve the 2024 Audit and IRS Form 990, seconded by Commissioner Edelson. MOTION adopted and the 2024 Audit & IRS Form 990 was unanimously approved.

b) **FFY2024 CSBG Annual Report**

Chair Myren asked if there were any changes to FFY2024 CSBG Annual Report. Mr. Lehman made a motion to approve the report, seconded by Commissioner Edelson. MOTION adopted and the FFY2024 CSBG Annual Report was unanimously approved.

c) Board Self-Assessment

Chair Myren shared there will be a board self-assessment sent via email after the board meeting tonight. Board members are asked to reflect on the current performance of the board when completing the survey.

Announcements/Information:

Ms. Bryant shared that PICA and other HeadStarts are at risk of losing their funding. She shared that they are asking for alumni or anyone that supports HeadStart to send letters to legislators and sign a petition to help advocate for the program. There were no other announcements.

Adjournment

The meeting adjourned at approximately 7:57 PM.

Next CAP-HC Board of Directors Meeting:

Thursday, May 22, 2025

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