

BOARD OF DIRECTORS MEETING MINUTES

Thursday, August 28, 2025, 6:30 – 8:00 pm

Zoom: [Login](#)

Dial-In: +1 312-626-6799

Meeting ID: 863 1326 6354 Passcode: 044286

**Community Action**
Partnership of Hennepin County**MINUTES**

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

CAP-HC Staff Present: Dr. Clarence Hightower, Todd Blooflat, Kendra Krolik, Tammy Alto, Lia Kang, Kab Xiong, Angelique Flemons, Jalynn McLaughlin

Guest presents:

Call to Order/Roll Call – Chair Schaffer:

Chair Schaffer called the meeting to order at approximately 6:31 PM. A quorum was not present.

Review and Approval of August 28, 2025, Board Agenda – Chair Schaffer:

There was not a quorum present. Voting was moved electronically.

Review and Approval of June 26, 2025, Board Minutes – Chair Schaffer:

There was not a quorum present. Voting was moved electronically.

Study Sessions:

a) DEED Direct Appropriation – Dr. Hightower

Dr. Hightower gave a presentation on the DEED Direct Appropriation and two subgrantees—A Mother's Love Initiative (AMLI) and Salem Inc. He explained that a member of state legislature came to Community Action Partnership of Hennepin County and asked CAP-HC to be the fiscal agent for a large state grant. There were three reasons why CAP-HC was asked to be the fiscal agent for this grant.

1. Deep roots in this community
2. Long standing relationships with the State of Minnesota. This is not the sole time CAP-HC has been asked to be the fiscal agent on behalf of other agencies in the community.
3. Demonstrated stewardship. The agency has had a clean audit since 2021.

CAP-HC's role as fiscal agent: Monitor the expenses, manage the building process and handle reimbursements.

Subgrantees' role: Set program goals, develop strategies to get to the goals, enter the work being done into the State's database, and submit their monthly expenses to CAP-HC for reimbursement.

Where the money went: The state allocated \$6 million to this effort. DEED received \$300,000 with about \$5.7 million left. The intended allocation was: Subgrantee 1 receives \$2.5 million, subgrantee 2 receives \$2.7 million and CAP-HC receives \$410,000. What was received depended on what was billed.

The actual dollars received were as follows: Subgrantee 1 received \$2.1 million, subgrantee 2 received \$2.5 million and CAP-HC received \$318,000. CAP-HC used the \$318,000 in three ways:

1. Staff time was billed to the state for reimbursement
2. A consultant was hired to help drive results
3. CAP-HC covered some of the administrative costs for the program for things like rent, utilities and insurance over a two-year period.

Findings: DEED audited the program and had nine concerns that turned into four findings.

1. Poor program performance.
2. Unable to complete a financial reconciliation and trace expenditures to source
3. Potential conflicts of interests with one of the subgrantees
4. Overstated expenditures: This was easily resolved as there was not an overstatement after the subgrantees cleared up information with the bank.

DEED allowed CAP-HC to work with the two subgrantees to provide answers about the four findings. Ms. Kang submitted a multi-page document to DEED explaining findings 1-3. Once a response is received by DEED, staff will provide an update.

Program performance issues:

There were 6 contributing reasons why there were performance issues.

1. There was a critical mistake on the front end made by the subgrantees. The “earn and learn” model which provides participants with a stipend while they are acquiring new skills. This allows participants to continue paying their bills while they are attempting to create a better future. The model created by subgrantees did not account for this.
2. The goals set by the subgrantees were unrealistic.
3. There was a total underestimation of the efforts required to meet the requirements of this grant.
4. The program engaged almost 7,000 people in two years but there was difficulty turning them into clients.
5. Untimely reimbursements from the state. When subgrantees did not get paid on time their contractors and staff payments were also delayed
6. The state’s database was not set up to capture all the work the subgrantees completed but was only set up to capture a certain level of success. Often the subgrantees would engage a community member and try to help them obtain a driver’s license, birth certificates and other items needed to get a job. These clients would give up before reaching the end goal because there was no incentive for them to stay the course.

Promising practices: As part of their audit, DEED said that although this didn’t work out the way it was hoped by both subgrantees. There were learning opportunities that they can use going forward.

Dr. Hightower ended with expressing the biggest misalignment was the objective of the subgrantees and CAP-HC. CAP-HC’s goal was to be good stewards of the funds and have great results for the community. The subgrantees focused on receiving the money quickly as possible. Staff do not quite know the implications yet but will know more if there are any disallowed costs when a response is received by DEED.

Questions:

Q: How were the subgrantees selected? A: The two subgrantees and the direct appropriation amount was written into the bill signed by the governor. CAP-HC entered in to a contract with DEED.

Q: What’s the worst-case scenario? A: Worst case scenario is there are disallowed costs. If there are disallowed costs, CAP-HC would take it out of subgrantee’s last check to pay it back.

b) 2025-2026 Energy Assistance Program (EAP) Grant Application – Dr. Hightower

Dr. Hightower gave an overview of the Energy Assistance Grant application. Community Action has been providing the Energy Assistance Program to Hennepin County residents for over 40 years. This is the largest program at CAP-HC, serving over 20,000 households each year. EAP also is the largest grant at over \$2 million in funds received by CAP-HC. Although CAP-HC receives about \$2.2 million in LIHEAP funds for Energy Assistance Program operations, the program yields over \$13 million in federal grants to residents with low income in Hennepin County. The Energy Assistance season begins October 1

through September 30. The program received a clean audit for the last season and staff are excited for another great year.

There was not a quorum present. Voting was moved electronically.

Financials – Mr. Blooflat:

a) May 2025 Financials

Mr. Blooflat presented the May financials.

Statement of Revenues and Expenditures: an increase of \$6,041 in net assets, due to receiving several small unrestricted grants in May. The year-to-date change in net assets remained with a small deficit of (\$2,305).

There was not a quorum present. Voting was moved electronically.

b) June 2025 Financials

Cash and cash equivalents remained in the negative at roughly (\$112,000). This was due to the timing of the last AP check run at the end of June and advancing the funds to cover the checks at the beginning of July.

Statement of Revenues and Expenditures: there was an increase in net assets of \$30,512 and an increase in year-to-date net assets of \$28,207. The increase in net assets for the month was due to receiving full reimbursement for an asset purchased in the month of June that will be depreciated over 5 years plus unrestricted donations.

There was not a quorum present. Voting was moved electronically.

c) July 2025 Cash Flow Projections

The report goes through July, finishing with a positive number. This was because the agency had a funder that was behind in monthly reimbursements. All the reimbursements CAP-HC was waiting to receive came before the end of July, which was enough money for the agency to finish with \$14,000.

The line of credit was at \$173,000 for the month but was fully paid off before the end of July, putting it at zero. The line of credit has not been used since July.

Client Satisfaction Survey Report – Ms. Krolik:

Ms. Krolik shared the report for the second quarter, showing clients who were served in April, May and June. There were 325 surveys returned or an 11.7% response rate. This was slightly lower than in the last three quarters, but higher than the response rate in the second quarter of last year. Table two shows majority of survey respondents received services from the Energy Assistance Program (EAP). There were 23 respondents who received Water Assistance, 14 received Rental Assistance, and 11 participated in Financial Wellness Workshops. The rest of the programs offered had fewer than 10 respondents each. Table three shows a majority of respondents live in suburban Hennepin (62%) and compared to Minneapolis (38%). Table seven shows the client satisfaction prompts. The scores are pretty similar to first quarter of this year.

Prompt #1: Getting in contact with a staff member was quick and easy. The score was 3.05, this was the same as the first quarter score.

Prompt #2: Staff made it easy to understand which programs were available and how to enroll. The score was 3.12 which is slightly lower than last quarter.

Prompt #3: Staff made me feel like they cared about my personal situation. The score was 3.18.

Prompt #4: I would recommend CAP-HC programs to my family and friends received the highest score, which is typical, and was at 3.37.

Figure two shows the average score across all prompts, and for this quarter, it was 3.19. The agency's goal is to be at or above 3.2 each quarter. That's a higher goal than prior years.

Client communication: About 78% of survey respondents received assistance remotely in quarter 2, 6% received assistance in person at one of our offices.

Table nine: Shows which programs clients are interested in receiving additional support. The most frequently selected programs were Energy Assistance, Vehicle Repair, Water Assistance and Rental Assistance.

Grant Application Report – Ms. Krolik:

Ms. Krolik presented the report through July. There was a total of 21 proposals submitted as of July 31. Five of them have been awarded, two denied, and 14 are still pending. The Minnesota Community Action Grant was awarded in July. That was approximately \$1.9 million over a two-year period. And there were two new grant applications submitted. One was a \$10,000 general operating request to Spartan Nash, and then the second was a \$70,000 program request to the Minnesota Department of Revenue for our tax assistance (VITA) program.

Finance and Audit Committee Update – Mr. Blooflat

Mr. Blooflat shared CAP-HC received a \$2,500 grant from Target and a \$10,000 grant that came from Blaze Credit Union and the Federal Home Loan Bank of Des Moines in June. The committee went over the May and June financial statements and received updates from Dr Hightower on the line of credit and on legal updates. The committee also went over federal legislation and had discussions on the fiscal year 2026 funding. The committee went over what discussions would be had with the office landlords about lease amendments, if any of our core funding is eliminated. The grant summary for the 2026 Energy Assistance Grant was also presented to the committee, with approval to recommend to the Board for approval.

Human Resources Committee Update – Ms. Xiong

Ms. Xiong reported on behalf of the committee. The committee met but did not reach a quorum we did not have quorum, so we weren't able to vote or approve the previous minutes. There are currently three open positions, two of which are for energy assistance eligibility specialists and the other for the Volunteer Income Tax Assistance (VITA) Coordinator. The goal is to have these positions filled in the next 30 to 45 days. The committee discussed compliance updates, and the next two staff training sessions. The committee discussed the new paid family medical leave law that's becoming effective on January 1, 2026, and Ms. Xiong gave an overview of Dr. Hightower's succession plan.

Planning and Evaluation (P&E) Update – Ms. Douglas

Ms. Douglas gave the committee update. There was a quorum, and the June meeting minutes, and the August meeting agenda were approved. The Energy Assistance Program received a clean audit, which hasn't happened in the last two years. The program applications are being mailed out for the new Energy Assistance program year. Mr. Billy Xiong was hired as an employment readiness coordinator in the Client Services Department. The program data report and the grant application reports were discussed. New Board Member Ms. Christine Koch and the new Client Service Director, Angelique (Angie) Flemons, both attended their first P&E committee meeting.

Fund Development Committee Update – Committee Chair Lehman:

Committee Chair Lehman shared there not a meeting held in August, but the next one will be held on Monday September 8. The committee will welcome two new committee members, Dave Podas and Anna Hyde Babington-Johnson, that do not serve on the Board. Chair Lehman reminded the board that the agency's goal is to raise \$100,000 in unrestricted funds for 2025.

Monthly Program Data Report – Ms. Alto:

Ms. Alto presented the report for July. There were 292 services provided in July, with slightly more in Minneapolis (53.4%) versus Suburban Hennepin (46.6%). The Energy Related Repair Program, the Water Assistance Program, Emergency Rental Assistance Program, Financial Wellness Workshops and Vehicle Repair all had a strong month of services. Year to date, there were 14,213 services provided, with 51.5% in Minneapolis versus 48.5% in suburban Hennepin. As of the end of July 47.8% of the targeted goal was achieved.

Executive Director Update – Dr. Hightower:

Ms. Krolik went over One Journey; the agency's Community Needs Assessment and three-year Strategic Plan.

The Board approved the project back in June, including a budget not to exceed 100,000. The agency received four strong proposals. After scoring each proposal using a project rubric and holding phone calls with the top two, the firm Creation in Common was selected. The contract is being finalized and then the kickoff phase of the project will begin. Staff are asking for board engagement as much as possible.

a) July and August Recap

Dr. Hightower highlighted the Energy Assistance Program receiving a clean monitoring report. The annual report was published, and has been shared with staff, board members, partners, and funders. There will be an all-staff training and picnic held on September 5.

New Business – Chair Schaffer:

a) **2025-2026 Energy Assistance Program (EAP) Grant Application**

There was not a quorum present. Voting was moved electronically.

b) **Line of Credit Advance**

Staff are seeking board approval to utilize the line of credit to cover payroll and agency bills. Once CAP-HC receives reimbursements from the state they will pay off the line of credit balance. Since the ask is over \$75,000 board approval is required.

There was not a quorum present. Voting was moved electronically.

c) **Community Needs Assessment and Strategic Planning Workgroup**

Dr. Hightower shared staff are looking for board members to participate in the next Community Needs Assessment and Strategic Planning Workgroup. There is not a set schedule yet but the group would meet roughly every couple of weeks throughout the project starting in September and extend through March 2026. Those that are interested in participating should contact Ms. Krolik.

d) **New Board Portal Password and Meeting Link**

The Board Portal password and monthly meeting link have been updated. Ms. McLaughlin will send an email along with the electronic voting items.

Announcements/Information:

There were no additional news or announcements

Adjournment

The meeting adjourned at approximately 7:52 PM.

Next CAP-HC Board of Directors Meeting:

Thursday, September 25, 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