



BOARD OF DIRECTORS MEETING

Thursday, December 1, 2022, 6:30 – 8:00 pm

Zoom: [Login](#)

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

Minutes

Aisha Chughtai	E	Kevin Anderson	E
Allen Rezac	P	Kevin Myren	P
Antanisha Spears	E	LaTrisha Vetaw	E
Detra Miller	E	Naweed Ahmadzai	E
Dominique Pierre-Toussaint	P	Samsam Mohamed	E
Falilatou Iniwe	E	Solomon Ogunyemi	E
Glaiza Regis	E	Tonja West-Hafner	E
Jeff Washburne	P	Tyanna Bryant	P
Jim Lehman	P	Victoria Chambers	P
Josh Schaffer	E	Vacant	
Justin Gillette	P		

CAP-HC Staff Present: Dr. Clarence Hightower, Gayle Peters, Katherine Castille, Kendra Krolik, Lia Kang, Michael Yarbrough, Shanelle Hall, Tammy Stauffer, Todd Blooflat, Theresa Lumpkins

Guests Present:

1. Call to Order:

Vice Chair Rezac called the meeting to order at 6:35 pm. Ms. Lumpkins called the roll. A quorum was not present.

In the absence of a quorum, an email will be sent to board members after the meeting so all action items can be voted on electronically.

2. **Approval of December 1, 2022, Board Meeting Agenda:**

This will be added to the electronic vote for approval.

3. **Approval of October 27, 2022, Board Meeting Minutes:**

This will be added to the electronic vote for approval.

4. Study Session(s):

a. 2023 Fiscal Year Budget – Mr. Blooflat (10 min)

Each board member received a copy of the 2023 Budget Book via email last week. The budget book is a tool developed by staff as a year-long resource to the Board and the agency itself that provides a broad synopsis of the agency and the

resources used to develop the 2023 budget. The budget book provides information about CAP-HC, its programs, department information, as well as the 2023 agency budget. Some differences for fiscal year 2023 include changes in grant funding that reflect flat funding in the Community Services Block Grant (CSBG) and Minnesota Community Action Grant (MCAG) revenue. The budget reflects the discontinuation of COVID relief act funding. It also reflects new funding from the Cummins Foundation in the amount of \$60,750. The 2023 proposed budget is programmatically balanced at approximately \$5.7 million. The overall agency budget has a deficit in the amount of approximately \$61,000. The proposed final budget was reviewed, discussed, and recommended for approval by the Finance and Audit Committee meeting.

- b. CSBG CARES Act Supplemental Grant Summary -- Ms. Krolik (5 min)
The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into Federal law on March 27, 2020. Included within the Act was \$1 Billion specifically designated for recipients of Community Services Block Grant (CSBG) funds. The allocation for the State of Minnesota was approximately \$12 Million. Within that total, the allocation for CAP-HC was \$2,254,017 (approximately 19% of the state total). Of the \$2,254,017 grant that was received, \$1,289,841 was spent on direct services. This award supplemented CAP-HC's existing CSBG and Minnesota Community Action Grant (MCAG) funds. The grant ended September 30, 2022, and the funds were fully expended.
- c. Affirmative Action Overview -- Ms. Peters (5 min)
Equal employment opportunity laws prohibit unlawful discrimination against applicants and employees because of their race, gender, age, disability, or national origin, however they usually do not require formal affirmative action programs. CAP-HC is committed to a policy of equal employment opportunity and to a program of affirmative action to fulfill that policy. The Chief Human Resources Officer is designated as the organization's EEO manager and is tasked with implementing and monitoring all employment activity to ensure that the EEO/AA policies & programs are being conducted. Internal audit reports include applicant flow, new hires, promotions, transfers, and terminations (voluntary and involuntary) by job group. Figures for each personnel process must show a breakdown by sex, minority classification, and disability status. Once a year CAP-HC submits to the Minnesota Department of Human Rights, the Workforce Certificate of Compliance, and the Annual Compliance Report as required under Minnesota Administrative Rule 5000.3580 for the company's regular workforce. CAP-HC will make reasonable accommodations to the physical and mental limitations of an employee or applicant unless such an accommodation would impose an undue hardship on the conduct of the business. As a part of its commitment to equal opportunity, CAP-HC has adopted an anti-harassment policy.
- d. Developing Funder Contacts -- Mr. Lehman (10 min)
Ms. Krolik reminded the board that diversifying agency revenue is one of the key priorities for the future and a big part of that is growing our foundation and corporation funding streams and building relationships. Mr. Lehman shared his experience on this subject with the board. He is part of a new committee for the

agency that will focus on revenue diversification and fundraising. He shared that the committee is going to emphasize the “fun” in fundraising. They are going to have a positive attitude that the committee will be successful at fundraising. The vast majority of the funds for the agency comes from the public sector and can have limitations. The goal is to diversify revenue by reaching out to private funders. The committee currently consists of Dr. Hightower, Kendra Krolik, Jim Lehman, and Jeff Washburne. Mr. Lehman invited other board members to join the committee if interested. The committee had their first meeting with a potential funder, the Schulze Foundation. Richard Schulze is the founder of Best Buy. At this time, their foundation isn’t taking on any additional giving opportunities. The goal of the committee is to continue to network and meet with potential funders. If any board members have any ideas they should share them with a member of the committee.

5. September 2022 Financial Statements and October 2022 Cash Flow Report:

Mr. Myren reported that the Finance and Audit Committee met and had a quorum. He led the Board through the September 2022 financial statements through September 30. The grants revenue for year-to-date is approximately \$5.7 million vs. a budget of \$5.6 million which is about \$100,000 more spent than what was anticipated. There was a positive variance on the salaries and benefits line item of over a half million dollars. While there was a positive financial variance, there was a human capital deficit. CAP-HC was able to get almost a half million dollars more into the households of people who needed it in Hennepin County with fewer staff. Year to date, CAP-HC had a deficit of approximately \$10,400 versus a budget shortfall of \$45,000. Cash and cash equivalents are a negative \$12,408; however, this was remedied within a day or two when cash was received from reimbursement-based contracts.

The Finance and Audit Committee is recommending the September 2022 Finance Statements for approval. This will be added to the electronic vote for approval. The Cash Flow Statement was reviewed. The agency had negative cash in the amount of \$12,408 for October.

6. Grant Application Report:

Ms. Krolik presented. There have been two changes to this report since the last board meeting. The Cummins Foundation Grant was received in the amount of \$60,750 for the Financial Wellness Program. This grant will run from December 2022 through December 2021. A request was submitted to the Jim and Linda Lee Family Foundation to help support employee wellness and employee recognition.

7. Finance and Audit Committee Update:

Mr. Myren commented that the committee met and had a quorum. The committee reviewed the September 2022 financial statements and the October cash flow statement. They also did a deep dive on the 2023 Budget.

8. Human Resource Committee Update:

The HR Committee met and had a quorum. The committee received updates on staffing and the culture initiative. A winter celebration will take place for staff in the next couple of weeks. Discussion also took place on a new merit-based pay system. This will be a big project for staff and the target completion is next fall.

9. Program Planning & Evaluation (P&E) Committee Update:

Committee Chair Bryant shared that the P&E Committee meeting did not have a quorum and the meeting has been rescheduled to next week.

10. Monthly Program Data Report:

Ms. Hall presented. This report gives the year-to-date program totals as well as totals for the month of October 2022. For the month of October, 289 total households were served. The total number of households served for the year is 15,195, which is an increase of approximately 4,000 households more from the same time last year.

Ms. Hall shared that Emergency Rental Assistance and Vehicle Repair are expected to be in high demand for 2023. In January, there will be a team of three staff members to work on Emergency Rental Assistance to process applications in a timelier manner. Ms. Stauffer shared that the Energy Assistance Program is anticipating an increase in applications for 2023. There are approximately 2,000 more EAP applications than at this same time last year. CAP-HC may partner with other CAP agencies to process applications if necessary.

11. Executive Director Update:

a. One Journey Update

Ms. Krolik provided an update on the One Journey Process. As a recap, the Socio Historic Scan was completed, as well as community engagement activities. A completed report was received summarizing the insights that were learned from community members. There is also video footage of the community members who participated in the community engagement activities. Two workshops were held with staff and board members. We are now in the phase of drafting a proposed strategic direction for the agency. The goal is to share this with the board in February. In the meantime, staff will participate in some key strategic conversations to help finalize the strategic direction of the agency.

b. **Letter of Intent (LOI) for space in Brooklyn Park (Ratification)**

Dr. Hightower reminded the board about the relocation philosophy that was shared at the last board meeting. Staff found a space in Brooklyn Park that meets the criteria of the relocation philosophy. The space is approximately 5,000 square feet and is located off Highway 694 and Boone Avenue. Staff requested approval from the Executive Committee to sign a non-binding Letter of Intent (LOI) for the space. Prior to requesting approval from the Executive Committee, the agency attorney reviewed the LOI to ensure it was non-binding. The cost would be approximately \$9.00 per square foot. The monthly payment would be approximately \$3,768 for the first year, up to approximately \$4,500 for the fifth year. The Executive Committee unanimously approved the signing of the Letter of Intent and therefore, the Letter of Intent needs to be ratified by the Board.

Mr. Rezac asked if the agency will be put in a position to pay double rent for a period of months while paying rent at a new location and the current location. Mr. Blooflat stated that staff tried to negotiate a period of free rent within the agreements, so the agency won't have to pay double rent. The current lease ends on August 31, 2023.

This will be added to the electronic vote for ratification.

12. New Business:

- a. **2023 Fiscal Year Budget** -- Dr. Hightower
The 2023 Fiscal Year Budget was previously reviewed as a study session.
This will be added to the electronic vote for approval.
- b. **2023 CAP-HC Holiday Schedule** -- Dr. Hightower
Dr. Hightower presented the 2023 CAP-HC Holiday Schedule. CAP-HC will observe 12 holidays including one Floating Holiday in 2023.
This will be added to the electronic vote for approval.
- c. **2023 Board Calendar** -- Dr. Hightower
The Board Calendar is provided to give the board a tentative timeline for when items will be presented to the board during 2023.

13. Announcements/Information:

- a. Mr. Rezac shared that the New Board Member Orientation will be rescheduled for a later date. He encouraged existing members to attend the orientation as well.
- b. 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.

14. Adjournment:

The meeting was adjourned by Vice Chair Rezac at 7:48 pm.

Next CAP-HC Board of Directors Meeting:

Thursday, January 26, 2023

6:30 – 8:00 pm