



COMMUNITY ACTION PARTNERSHIP OF HENNEPIN COUNTY
8800 Highway 7, Suite 400, St. Louis Park, MN 55426

BOARD OF DIRECTORS MEETING

Thursday, May 27, 2021, 6:30 – 8:00 pm

Zoom: [Login](#)

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

Minutes

Allen Rezac	P	Justin Gillette	P
Alysen Nesse	P	Karin Keitel	E
Angela Wade	E	Kevin Anderson	P
Angela Williams	P	Kevin Myren	P
Chinnaphan Bell	E	Naweed Ahmadzai	E
Chris LaTondresse	E	Sherrie Pugh	P
David Asp	P	Solomon Ogunyemi	P
Eric Totten	E	Tonja West-Hafner	P
Glaiza Regis	E	Tyanna Bryant	P
Jeff Washburne	E	Victoria Chambers	P
Josh Schaffer	P		

CAP-HC Staff Present: Dr. Clarence Hightower, Dean Dalzell, Feleshia Edwards, Jennifer Horton, Kendra Krolik, Michael Yarbrough, Sam Miller, Todd Blooflat, Theresa Lumpkins

Guests Present: Kyle Olson (Commissioner LaTondresse's Office)

1. Call to Order:

Chair Asp called the meeting to order at 6:32 pm. Ms. Lumpkins called the roll. A quorum was present.

2. Approval of May 27, 2021, Board Meeting Agenda:

Chair Asp asked if there were any changes to the agenda of the May 27, 2021, Board meeting. There were none.

3. Approval of April 22, 2021, Board Meeting Minutes:

Chair Asp asked if there were any changes to the minutes of the April 22, 2021, Board meeting. There were none.

Mr. Rezac made a motion to approve, seconded by Ms. West-Hafner. MOTION adopted and the minutes are approved.

4. Study Session(s):

a. Impact & Sustainability Roadmap Summary -- Ms. Krolik

Ms. Krolik presented. CAP-HC has embarked on a multi-year initiative, known as the CAP-HC Impact and Sustainability Roadmap, to strengthen its impact and capacity in the months and years ahead. Over the next two years, this cross-departmental effort will focus our energies, ensure best possible uses of agency resources, and fill

gaps in services within Hennepin County, as well as guide the 2023-2026 Strategic Plan. This work will be implemented in three overlapping phases. The three phases as well as the timeline of activities were reviewed.

- i. Phase I – Program Vision Statement -- Ms. Edwards/Ms. Horton
Ms. Edwards and Ms. Horton presented. Phase One of the Impact & Sustainability Roadmap focuses on the program vision. The vision statement was created using a four-step visioning process. The new final program vision is “We partner with community organizations to provide diverse and high-quality programs, resources, and services designed for Hennepin County residents experiencing the impact of poverty. We envision that every program participant will leave feeling empowered and equipped with the tools to stabilize their immediate needs and move toward economic stability”.
 - ii. Phase II – Revenue Diversification Learning Plan Summary -- Ms. Krolik
Kendra Krolik presented. The purpose of the Revenue Diversification Learning Plan is to develop a sustainable revenue model that fuels program expansion and community impact. CAP-HC receives over 99% of its revenue from government grants. Such a high concentration of revenue from a few funding sources puts the organization at significant risk if one or more of these sources are interrupted. To ensure long-term sustainability, as well as to expand CAP-HC’s reach and impact in the community, it is critical that new revenue streams are identified and secured. The agency is operating under some assumptions regarding this work. Due to the newness of this initiative, and the significant level of uncertainty that exists regarding which funding streams will be most responsive to CAP-HC’s mission and program model, a “Revenue Diversification Learning Plan” is being developed. This plan will allow the agency to “test the waters” with various funding streams before investing too heavily in one over another, using a hypothesis-driven approach. Some members of the Board expressed their concern about moving to fast with this initiative.
- b. Real Estate Update -- Mr. Dalzell/Ms. Krolik
Mr. Dalzell presented. Mr. Dalzell reviewed the results of the CAP-HC Facilities and Access Survey for clients served October 1, 2020 – February 28, 2021. A total of 7,529 surveys were sent and nearly 600 were completed. The majority of responses were from residents of Minneapolis. The means of transportation for most clients is the use of an automobile. Nearly half of the responses stated that they never or rarely communicate with staff in-person. The Real Estate Steering Committee also discussed space programming. The next steps are to layer the Client Survey data, Employee Survey data along with demographic information to create an initial list of properties in the target zone. A list of approximately 20 properties is anticipated, from that list, it is expected to tour 4 – 7 of those.

5. March Financial Statements and April Cash Flow Report:

Mr. Myren reported that the Finance and Audit Committee met and had a quorum. He led the Board through the financial narrative of the March 2021 financial statements. CAP-HC

finished with a deficit in net assets of (\$6,475). The deficit for the month was the result of depreciation and other expense amounts not eligible for reimbursement, offset by small amounts of interest from the MAGIC and checking accounts and miscellaneous checks received. The Direct Client Services was overspent, particularly Rental Assistance by \$911.4k. The Finance & Audit Committee is requesting staff to bring forward a budget amendment to the next Finance & Audit Committee meeting to account for the significant differences related to the CHAP Grant and potentially other known variances at this time. The Cash Flow continues to get very tight. The next three months have been projected out to reflect not receiving the CSBG/MCAG payments within the months they are submitted. Mr. Myren recommended that the Board accept the March financial statements, subject to audit, so no separate motion is required. Motion adopted. There were no further questions or comments.

6. Grant Application Report:

Ms. Krolik presented the monthly Grant Application Report. This report shows all the grants that have been applied for in 2021 and the status of each grant. The Wright Hennepin Electric Trust Grant has been received in the amount of \$10,000. The CSBG/MCAG Workplan for 2021-2023 has been submitted in the amount of \$5,004,978. The HECAT Grant has been submitted in the amount of \$125,000. And the Homeownership Capacity Grant from MN Housing (MHFA) is in process of being submitted.

7. Finance and Audit Committee Update:

Committee Chair Myren commented that the committee did a deeper dive on all the items that were previously discussed during the meeting. They also discussed the issues associated with the current MN Legislative Session and the impact on the agency. This will be a standing agenda item on the Finance & Audit Committee meeting going forward. The committee also talked about the Cash Advance Plan as well as the change in authorized signers. The committee also discussed the finance staffing changes.

8. Human Resource Committee Update:

Mr. Schaffer shared that the HR Committee met and had a quorum. The CAP-HC Key Messages were discussed, as well as the Bomb Threat Procedure. The committee also discussed the Organizational Culture Initiative that the agency is engaging in. An Accounting & Compliance Manager has been hired. The Staff Accountant position is still open. Staff have viewed two demos for the HRIS Systems and will review one more. The new system will work with Finance and Human Resources.

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

No report was given. Ms. Edwards commented that many of the items discussed today were also discussed during the P&E Committee meeting.

10. Monthly Program Data Report:

Ms. Edwards presented the Monthly Program Data Report. This report shows the number of households served through the month of April 2021. In April, 873 households were served with roughly a 50/50 split between Minneapolis and Suburban Hennepin. Year to date, a total of 4,147 households have been served.

11. Executive Director Update:

- a. SpringForwardMN Update -- Ms. Krolik
Ms. Krolik presented. The SpringForwardMN Campaign has ended. The agency goal was to raise \$5,000. The total amount raised was \$2,175 from 16 individuals. Most of the donors were from staff or relatives of staff. The agency created two social media ads on Facebook and Instagram. The first ad was viewed over 6,000 times. The second ad was a video which was created in-house. This ad was viewed 600 times and the link was clicked 72 times. Ms. Krolik will share the ad with the Board members.
- b. Bomb Threat Procedure -- Mr. Miller
Mr. Miller presented. The Bomb Threat Procedure is in response to the current Risk Assessment. The purpose of this procedure is to inform staff of precautions to be taken in the event of a bomb threat. A Bomb Threat Checklist and a Bomb Threat Procedure Checklist for staff were also reviewed.
- c. Program Audits -- Ms. Edwards/Ms. Horton
Ms. Horton provide an update on the Housing and Urban Development (HUD) Audit. HUD supports the programs for rental counseling, rental workshops and homebuyer services. The HUD Audit came back with a great outcome and the two-year monitoring cycle was changed to a three-year cycle which puts the agency on a regular monitoring cycle. The auditors were impressed with the amount of improvement that had been made over a short period of time. Ms. Edwards provided an update on the Energy Assistance Program (EAP) Audit. Ms. Edwards took over the EAP Program in 2016. At that time, the audit showed three major findings, two major recommendations, and 72 areas or issues of concern for the delivery of energy assistance services. In 2019, EAP received its first clean audit in over seven years. For program year 2021, there were no known findings or recommendations for the delivery of energy assistance services. This makes four consecutive years of clean audits for the EAP program. Mr. Dalzell provided an update on the OEO Site Audit. The auditors commented on the improvements that have been made and they congratulated the Board of Directors for their work and efforts. One item that was raised was the Cash Advance Plan that OEO is requesting from the agency. This will be discussed later in the meeting.
- d. CAP-HC Key Messages -- Ms. Krolik
Ms. Krolik presented. The goal of the key messages is to provide a consistent set of talking points to use across channels to describe the work of the agency in a clear and concise way for advocates, including Board members. There are four key messages which also include supporting points for each message. The four key messages and supporting points were reviewed.
- e. MN Legislative Session -- Mr. Dalzell
Mr. Dalzell presented. The State of Minnesota Legislature will require a special session to finalize budget proposal for the state fiscal year 2022-2023 biennium. The MN Department of Human Services Office of Economic Opportunity (MN

DHS OEO) modified grant expenditure rules during the last biennium, delaying the date CAP's are authorized to start spending on the grant contracts. MN DHS OEO communicated that delays in the Minnesota legislative process will delay the issuance of the new grant contract. A delay past July 1, 2021 is highly probable; the length of the delay is unknown at this point. Absent MCAG funding starting on July 1, 2021, CAP-HC will direct expenditures to the remaining balance of the current CSBG grant term (increasing the spend rate for the grant). Staff anticipates that this approach will provide funding into September 2021.

f. **Dean Dalzell's Resignation – Dr. Hightower**

Dr. Hightower announced that Mr. Dalzell has resigned from CAP-HC so this will be his last Board meeting. Dr. Hightower thanked Mr. Dalzell for his many contributions to the agency. The Board Chair thanked Mr. Dalzell on behalf of the Board for all of this contributions as well.

12. New Business:

a. **Grant Summary: 2021-2023 HECAT Grant - Ratification** -- Ms. Krolik

Ms. Krolik presented the Homeownership Education, Counseling and Training (HECAT) Grant for ratification. This is a renewal grant from Minnesota Housing. The focus of this application is to deliver a variety of homeownership education, advising and training services to Minnesotans. Approximately \$3,000,000 is anticipated to be available statewide over a two-year period October 1, 2021 – September 30, 2023. The grant application amount is \$125,000. CAP-HC seeks funding for homeownership education and counseling services, specifically to address the homeownership disparities gap for Black, Indigenous, and People of Color (BIPOC). This was previously approved by the Executive Committee and is being presented to the Board for ratification.

Motion made by Mr. Rezac, Seconded by Mr. Myren. Discussion, none. Motion approved for ratification.

b. **Cash Advance Plan** -- Mr. Dalzell

Dean Dalzell presented. Included in the packet is a draft plan to respond to MN DHS OEO's request to deliver a plan to reduce the reliance on cash advances from their office. Four overall goals were presented. The first is to evaluate grant opportunities to increase cash-on-hand and/or reduce CAP-HC fronting of expenses. The second is to increase unrestricted contributions to the agency. The third is to improve short-term liquidity if reimbursements are delayed (increase line of credit, which is currently \$250,000). And fourth is to reduce dependency on MN DHS OEO advance by adjusting cash request and cash advance approach. Mr. Rezac suggested that any future grant summaries that come before the Board should outline how it aligns with the Cash Management Plan. Chair Asp commented that it would be nice to hear from someone at DHS directly regarding this issue at a future board meeting.

Motion made by Mr. Myren, Seconded by Ms. West-Hafner. Discussion, none. Motion approved.

c. **Safe Deposit Box: Change in Authorized Signers** -- Mr. Dalzell

Dean Dalzell presented. As staff was updating signers for the operating accounts,

it was discovered that the signers for the agency safe deposit box needs to be updated as well. Staff questioned whether or not there is a need for the safe-deposit box. To answer that question, staff needs to gain access to the safe-deposit box, however, the bank is requiring a Board motion to update the signers. Staff is respectfully seeking approval by the Board of Directors to update the agency safe deposit box signers with Bremer Financial Corporation to current organization representatives (Kevin Myren, Todd Blooflat, Feleshia Edwards). Motion made by Mr. Rezac, Seconded by Ms. Bryant. Discussion, none. Motion approved.

d. **Policy Change for Single Check Signing** -- Mr. Dalzell

Mr. Dalzell presented. Due to the COVID-19 pandemic, it was proposed that the limit for non-house checks that require only a single authorized signature be increased from the current \$3,000 to any check \$10,000 or less. Due to the recommendations for social distancing and self-quarantining, the proposed policy change was put into place to protect both staff and Board members from frequent meetings to have checks signed. This temporary policy change would last as long as the Governor of Minnesota was directing social distancing. Social distancing is scheduled to end on May 28, 2021, per Governor Walz. Staff is seeking approval for making this temporary policy a permanent policy. The Board Treasurer views the Check Register prior to checks being signed. Motion made by Mr. Schaffer, Seconded by Ms. West-Hafner. Discussion, none. Motion approved.

13. Announcements/Information:

The Board Roster, the Board Calendar and the Board Committee Assignments were included in the Board packet for review.

14. Adjournment:

Without further new business, the meeting adjourned at 8:04 pm.

Next CAP-HC Board of Directors Meeting:

Thursday, June 24, 2021

6:30 – 8:00 pm