



BOARD OF DIRECTORS MEETING

Thursday, January 25, 2024, 6:30 – 8:00 PM

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

MINUTES

Council Aisha Chughtai	A	Council LaTrisha Vetaw	P
Allen Rezac	A	Miles Wilson	P
Antanisha Spears	P	Naweed Ahmadzai	A
Dominique Pierre-Toussaint	A	Samsam Mohamed	A
Glaiza Regis	A	Solomon Ogunyemi	P
Jim Lehman	A	Tyanna Bryant	P
Josh Schaffer	P	Victoria Chambers	P
Kathilyn Solomon	P	Commissioner Debbie Goettel	P
Kevin Anderson (Clara Severson)	P	Commissioner Marion Greene	P
Kevin Myren	P	Brian Smith	P
Vacant		Vacant	

CAP-HC Staff Present: Dr. Clarence Hightower, Gayle Peters, Kendra Krolik, Lia Kang, Todd Blooflat, Shanelle Hall, Tammy Stauffer, TaMica’ Tody

Guest Present: Betsy Brock (Office of Council Member Latrisha Vetaw)

1. Call to Order/Roll Call:

Chair Schaffer called the meeting to order at 6:35 PM. Ms. Tody called the roll. A quorum was present.

2. **Review and Approval of January 25, 2024, Board Agenda:**

Chair Schaffer asked if there were any changes to the January 25, 2024, agenda. There were none. Commissioner Greene made a motion to approve, seconded by Ms. Bryant. MOTION adopted and the agenda was unanimously approved.

3. **Review and Approval of November 30, 2023, Board Minutes:**

Chair Schaffer asked if there were any questions or changes to the November 30, 2023, minutes. There were none. Commissioner Greene made a motion to approve, seconded by Ms. Bryant. MOTION adopted and the minutes were unanimously approved.

4. Study Session(s):

a. 2023 Annual Work Plan Results -- Ms. Krolik

Staff create an Annual Work Plan at the start of every year. The Work Plan represents the most pressing goals for the year. Some goals are “perennial goals,” routine items that tend to be on the Work Plan every year, like budgeting and strategic planning. Other goals are specific projects or initiatives that have been identified to move the agency forward. There were 28 goals on the Work Plan of which 26 were met. Great care is taken to ensure each goal is aligned with the 3-Year Strategic Plan. Noted in the second column, is the Strategy that each goal is linked. A Strategic Plan update will be provided at the February 2024 board meeting. Highlighted below are a few successes and “Met” goals:

- Goal 3 – A target goal was to reach 19,833 households in 2023. Over 27,000 households were served, 38% over the target goal last year. Most of the households were Energy Assistance households. There was significantly more demand than anticipated and this high demand was met.
- Goal 4 – The move into two new office locations in 2023 was completed in addition to expanding the CAP-HC presence at the Twin Cities Urban League site. This was the result of a 3-year effort to identify new locations that would improve accessibility throughout the county. Brooklyn Park serves those in the northern region of the county, Bloomington serves families in the southern parts of the county, and the Twin Cities Urban League serves community members in North Minneapolis.
- Goal 9 – A clean agency-level financial and compliance audit for FY 2022 was received.
- Goal 11 – The first Employee Engagement Survey was conducted in 2023. The purpose is to have a strong pulse on how employees feel about working at CAP-HC. Seven focus areas were identified from the survey that will be priority areas of improvement over the next year. The engagement survey will be administered annually. The goal is to see improved results each year and identify any areas that need attention.
- Goal 14 – A new hybrid wage increase policy was implemented. This new policy combines the COLA that has been present in the past with a merit-based pay component. This will allow for better compensation for employees that are performing exceptionally well. This is a goal that the agency has wanted for several years. The hope is this new policy will assist in not only recruiting high quality employees but also retaining them.
- Goal 24 – The completion of the new 3-Year Strategic Plan. The Strategic Plan was completed in February 2023 and approved by the board. It will be the guiding star for the next two years to ensure all aspects of the agency are moving in the same direction and the focus is on the most significant needs of Hennepin County.

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Goals not met:

- Goal 5 – Streamlining the intake process by looking at the workflow design. The goal is to make the application system more efficient and intuitive for clients,

allowing them the ability to smoothly apply for programs and in some cases multiple programs at once. 95% of the work has been completed but time did run out for 2023; however, it is anticipated that this will be completed very soon and in Q1 2024.

- Goal 15 – Creating process documentation for offboarding employees and having contingency plans in place for key staff roles. This work did get started in 2023 and key conversations were conducted with Leadership. An approach was defined on how to complete this work and now the focus is on the time management and implementation phase of this goal. It is anticipated that this will be completed soon and in Q1 2024.

Chair Schaffer appreciated seeing this document and seeing all the accomplishments of the organization. It is also critical information that was provided to a potential funder at a recent site visit.

b. 2024 Legislative Priorities -- Ms. Krolik

Each year the agency develops a set of legislative priorities to guide advocacy work in the community. The last couple of years we have chosen to align the priorities in lock step with MINNCAP, a statewide association of Community Action agencies. MINNCAP is good at advocacy and selecting areas of focus and unifying the network in the work to educate policymakers on the needs of the communities that we serve. Most of our work in the advocacy space is focused on education and helping policymakers understand what issues impact our clients the most and how proposed legislation may help or hurt the people we serve. This year we are not asking for any money, and we don't have any specific policy language request. We are having what is called an "off-year" or "bonding year", with legislature. It's not a policy year. Instead, we will build momentum around who we are and why what we do is important and how we are strategically using Community Action funds, specifically the Minnesota Community Action Grant (MCAG) to make a difference in the lives of the people that we serve. We also want to educate policymakers on how FAIM, Family Assets for Independence in Minnesota, is helping people build assets and get out of poverty. FAIM is a matched savings program, when individuals save for buying a home, starting a business, or investing in their continuing education those savings are matched by the state 3:1 up to a certain amount. Another priority will be to collaborate with the Department of Commerce to expedite the allocation of workforce training funds to ensure that our network and weatherization service providers can efficiently utilize the funds for pre-weatherization. This will make homes more energy efficient, so households are spending less on utilities and having warmer more energy efficient homes. Lastly, the Legislative Priorities document also list other initiatives that other organizations or groups are leading that we support on an as-need basis:

- The Diaper Grant Program
- Utility Fee Regulation of Low-Income, Multi-Unit Rental Dwellings

There is also a listing of coalitions that we actively partner with when there is a need for additional voice for shared priorities.

- Homeownership Minnesota
- Homes for All
- Minnesota Head Start Association
- Partners to End Hunger

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- Volunteer Driver Coalition

Commissioner Goettle notices that we discuss coalition support, but she doesn't see an ask for specifics of dollars or particular asks, just broad sweeps. Are the coalitions looking for specific things from partnerships. Commissioner Greene wants to know what the depths of this is. Ms. Krolik shared-since it's not a policy year at legislature and funds are not going to be allocated for new initiatives, we are focusing the work on setting the stage for making more concrete requests in 2025. This year is more about educating policymakers about Community Action, showing the value of the Minnesota Community Action Grant and how it's made a difference in the communities, especially the increase in the grant that we recently received. The hope is to convince legislators to maintain the higher level of MCAG funding. Also educating them about the FAIM program and how critical it is. Next year there will be more specific asks about funding and policy changes that we want to see. Commissioner Goettle is grateful for the insight. She shared that she has recently been in several meetings this week about what is really going to happen at the Capitol. She stated that while they will do a bonding bill they will focus on policy. Commission Greene advised, if we have a policy, that we could introduce, we should even if we don't think it will pass, just to have it on the docket. Commission Greene further shared, that Speaker Hortman said that we will focus on policy, not doing a big bonding bill due to what is happening in the following two years with the budget cycle which will create a deficit if we spend what we have right now. There is a lot of money now, but we will have to save those dollars. Dr. Hightower stated that our partners have not come forward with any policies for us to get behind. The state organization also has not yet advanced any policies for us to get behind. Commissioner Greene asked if we have any policies of our own. Dr. Hightower clarified that we take the lead from our state agency. The advice that we have gotten is to prepare ourselves for 2025. We received a one-time increase in our largest state funding, and we are trying to make sure that increase becomes permanent. That is the focus for this legislative session.

c. 2024 Program Proposed Targets -- Dr. Hightower

Dr. Hightower presented the 2024 Proposed Program Targets. This conversation is slated for each January and is about the client services goals intended to achieve over the next 12 months. This has been presented to the P&E Committee. Over the next 12 months monthly meetings will be held to share progress or any challenges. The P&E Committee is charged with holding the agency accountable programmatically. 2023 was a banner year for client services. More clients were served last year than ever. The 27,000 threshold was surpassed for the first time. In 2024 it is projected to go over 27,000 again. This number is driven by the increase in the number of people coming forth with energy assistance needs. The water mark will be within a couple of hundred in 2024. There will be a funding shortage in the water program. Last year this program was federally funded, 1,700 households were able to be served through that program. This funding will not be available this year. A portion of the CSBG dollars will be allocated to this program; therefore, the goal is 1,000 for 2024. The numbers projected for 2024 are close to 2023 targeted goals. The staff is strong, program regimens are in place, and staff have been working hard to reduce the wait time from the time of application to the time that funds are received for our clients across the board. The total number projected for 2024 is 27,295. Chair Schaffer asked about application time and service delivery and the interventions that were placed to speed the process and if we can compare year after

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year what effect the interventions have had on application time. Dr. Hightower gave the example of the Rental Assistance program previously having a wait time over 90 days and the Vehicle Repair program also had long wait times. Energy Assistance also had long wait times. The wait time for these programs has greatly improved. Ms. Hall shared Vehicle Repair is working on applications submitted in January. Emergency Rental Assistance is processing applications submitted at the end of December, which is less than a 30-day timeframe for processing.

Energy Assistance is currently processing applications received the first week of December. Due to staffing increases, policy changing income verifications to one month of income vs. three month, and cross training staff have all contribute to faster processing speed. Last year, this time we were at 5,500 applications approved and currently there are 11,600 applications approved. Commissioner Goettle asked if applicants and need are more than we can afford and by how much if so. Dr. Hightower has observed that our clients are coming with greater needs. Currently we can give \$1,000 to assist with rent, however the need could be as great as \$15,000. The numbers are increasing year after year. The increase for Energy Assistance is up 29% this year. Commissioner Goettle agreed and sees this same trend at the county. There are less federal dollars available now. Dr. Hightower referenced the large amount of COVID dollars that were previously available that are no more, yet the need still being ever present. Commissioner Goettle shared there are RFPs out there, not sure CAP-HC would qualify, county does. There are rental assistance dollars available from other states that haven't used all of their funds and can't use them in time. Funding is at the federal level. Commissioner Greene advised, Vice Chair Rezac may be able to assist with finding those options.

5. Financials – Committee Chair Myren

a. October and November 2023 Financials

Committee Chair Myren reviewed the finance statements. The Finance Committee did meet and discuss the statements in detail. Total revenues YTD are \$5,877,767. This compares to the Budget YTD of \$5,711,709, which is \$166,000 to the positive. Total expenses before depreciation YTD \$5,822,000 vs budget of \$5,758,000. This is a negative variance of \$64,101 which means there were less expenses than what was budgeted, this is good. The change in net assets for October was \$8,553, bringing YTD \$50,380 which compares to a negative budget of \$51,000, which a little under \$102,000 to the good in terms of the bottom line. Looking at November, the largest number is the cash and cash equivalents which reflected, negative \$20,314 at the end of November and negative \$7,500 in October, which means we have negative cash which isn't good. As volume and activity ramp up for the agency this isn't a-typical, there are also delays in reimbursements for expenses. The revenues and expenses through November 30 show total YTD revenues of \$6,502,661 vs the budget of \$6,338,000, this is a positive variance of \$164,000. The expense side reflected \$6,445,000 vs the budget of \$6,389,000. A negative variance less than the positive variance on the revenue. The bottom line is \$1,957 positive change in net assets for the month of November, bringing the YTD to \$52,337 vs the budget of negative \$56,487. This resulted in \$108,000 better than what was budgeted. The financial results remain positive for 2023.

b. December 2023 Cash Flow Projections

Committee Chair Myren continued. The cashflow challenges do persist. The cashflow states showed negative cashflow for October, November, and December. The negatives

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number decreases for January – March. The back up funding is the line of credit which was recently tapped for the first time in many years. It is necessary currently due to current circumstances.

Commissioner Goettle asked if policy was ever set up to have a reserve to get through the bumpy times vs. paying interest on credit. Committee Chair Myren stated there is no cash to start a reserve. Commissioner Goettle inquired if there is a plan to figure out how to get the cash for the reserve. Committee Chair Myren shared there is a goal to raise additional unrestricted funds to create those resources. There is more planning needed for those fundraising efforts. Commissioner Goettle's concern is as a nonprofit, if something disastrous were to happen the agency could go through the credit quickly and not have the ability to repay the line of credit. The liabilities outweigh what the agency has. When it comes to nonprofits and auditing it is preferred there is a reserve to cover cash flow issues and future liabilities for catastrophes. Chair Schaffer touched on a recent conversation with a potential funder and the goal to achieve greater sustainability and diversified funding. It is a goal of the organization to not have to use the line of credit and these funds haven't been used in several years but due to current circumstances it is necessary. Dr. Hightower stated the issues from several years ago when credit was needed haven't changed. The agency operates on a thin line relevant to cashflow. There is a Revenue Diversification Committee actively working on this challenge. As new members are being brought on to the board, they bring with them new contacts and opportunities. Commissioner Goettle asked if there is policy currently in place that if the agency did get revenue a percentage of those funds would need to go to a reserve fund, if it was unrestricted. Commissioner Goettle stated that would be a start. Dr. Hightower shared we are serving as a fiscal agent for a very large grant, a \$6 million grant, we would earn 10% on that: \$600,000 over two years, unrestricted. Dr. Hightower thinks this will keep us above water as we get the building blocks of good fundraising efforts in place. Commissioner Goettle urged the board to get the correct policy in place before the money comes in so that it is not all spent. Dr. Hightower assured that the finance committee would not allow that. There were no further questions. Chair Schaffer accepted a motion to approve 5a – October and November 2023 Financials. Committee Chair Myren made a motion to approve, seconded by Ms. Brock. This item was unanimously approved.

6. Grant Application Report -- Ms. Krolik

Ms. Krolik presented the Grant Application Report. DEED, for the Vehicle Repair program, this grant was received for a second time and at a higher amount. The next grant is for \$287,000 over a two-year period vs \$150,000 received in the last cycle. CAP-HC is one of the few agencies that provides Vehicle Repair, there was additional funding, and it was awarded to CAP-HC. Jim and Linda Family foundation came in at \$7,000 as general operating grant. This is \$5,000 more than the previous year. The full application for the Schulze Family Foundation was submitted this past December and we hosted a site visit this week, January 24, that went well. There is a lot of demand for their funding, we are hoping for a \$10,000 matching grant. After learning more about the priorities of the foundation we rescope to focus the funding on Employment Readiness program, it wouldn't be unrestricted but very critical for this programming. We received five spots in the FAIM program and will be reimbursed \$2,000 per FAIM client.

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7. Finance and Audit Committee Update:

Committee Chair Myren stated we have already discussed the October and November 2023 Financial Statements and the 2023 Cashflow Statements. There was no additional business.

8. Human Resources Committee Update:

Ms. Chambers presented. The HR Committee met earlier in the evening and there was a quorum. The committee approved the meeting agenda and meeting minutes from November 30, 2023. There was a discussion about the new merit pay program. There's a retro pay plan that will go back to January 1. There's a performance review aspect tied to this as well. The first employee increase was received on January 12, 2024, payroll and the next will be given on February 9, 2024, payroll. The following upcoming handbook changes were discussed:

Bereavement Leave – This will be called the Compassionate Leave Policy going forward. There will be more flexibility in this new policy.

Addendum to Weather Threshold Policy—This document covers the circumstances in which the CAP-HC offices would close, reduce operations, have a late start, close early, or have a flexible telecommuting option due to inclement weather. Every attempt will be made to make weather-related adjustments by 7:AM for the current workday or 3 PM for the following workday. Communication to staff will be via email, phone, face to face, or building announcement system, where available. Clients will be notified of changes via the CAP-HC website. Staff are expected to bring laptops home daily, in case of inclement weather from December 1 – March 31.

Sick and Safe Time Laws – Review of our policy and CAP-HCs policy is very generous and in compliance.

Recruitment & Hiring – There is a finalist for the Data and Evaluation Manager position. There are 3 Client Services positions open. Once these positions are filled, we will have 60 full-time employees.

Culture Initiative – This work has been completed. All the goals have been met. The highlights were the End of Summer BBQ and the Winter Celebration. There is a continuous focus on employee wellness and making sure staff feel informed.

Overall State of the Agency – Overall scoring of A-. Energy Assistance is seeing 1,000 applications per week processed, Vehicle Repair is caught up and going well.

There was no new business, and the meeting was adjourned. Chair Schaffer asked if the Earned Sick and Safe Time impacted any of our current policies. Ms. Chambers stated that the current policy is very generous, and no changes needed to be made. Ms. Peters confirmed no additional changes were needed for compliance.

9. Planning and Evaluation (P&E) Update:

Committee Chair Bryant presented. The committee met on Monday, January 22, 2023 and a quorum was present. All monthly reports were covered. Ms Bryant extended a congratulatory message to the Energy Assistance team for being at the 30-day mark getting applications processed. The gap in the sub-Hennepin vs Minneapolis split persists. The committee will continue to monitor this trend. The Client Satisfaction Survey was sent to 1,700 households, 1,200 of those surveys were opened, and 235 surveys were completed. There was an increase in grant funding for Vehicle Repair. There are two items the committee will need to follow up on for approval have had an increase on grant dollars for vehicle repair, two approvals . will need follow up on approval of minutes.

10. Monthly Program Data Report:

Ms. Hall presented the Monthly Program Report. This report gives the year-to-date program totals as well as the totals for the month of December 2023. There were more households served in 2023 than previous years. We still have an increase in the sub-Hennepin service numbers. This increase consistently rises each month. The numbers reflected 53% served in sub-Hennepin vs 46% served in Minneapolis in December 2023. The total number of households served in December was 3,329. 3,200 of the households were served through Energy Assistance. 36 of those households received Energy Related Repair Assistance. 37 of the total household received Emergency Rental Assistance. Two households received Financial Wellness Counseling. Ten participants were served in the Financial Wellness Workshops. There were few MNsure Application Assistance cases, and 15 households serviced through Vehicle Repair. In total 27,424 were served in 2023. This is over 7,000 more households served than 2022.

11. Client Satisfaction Survey Report:

The Client Satisfaction Survey is the most systematic data collection effort. Clients are contacted shortly after receiving services from CAP-HC and asked how they learned about CAP-HC, the quality of their experience, and more. Surveys are sent monthly and presented to the board every quarter. Ms. Krolik presented the Client Satisfaction Survey. The data is from July 1, 2023 – September 30, 2023. 235 surveys were completed. This is an off-season for Energy Assistance, so the number is quite lower than usual. The response rate was 13.7%. This rate is less than last quarter but higher than the four quarters prior to that. The rate is anticipated to be higher going forward. Most of the respondents received Energy Assistance, followed by Financial Wellness Workshops at 8%. Both Emergency Rental Assistance and Energy Related Repair had 2% of the respondents. 45% of respondents were from Minneapolis and 55% from sub-Hennepin. Most of the respondents identified as White at 41% and Black/African American at 38%. The average score for all the prompts remained the same or increased slightly. Three prompts showed an increase:

- Getting in contact with a staff member was quick and easy.
- Staff made it easy to understand which programs were available and how to enroll in them.
- I would recommend CAP-HC programs to my family and friends.

The goal is to be at or above 3.0 for each question. Getting in contact with a staff member was quick and easy was just shy of this goal at 2.88. The other prompts met or exceeded this goal for

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the quarter. 75% of respondents received assistance remotely. 25% of respondents received assistance in person. Most respondents are hearing about CAP-HC through the following means:

- 27% Hennepin County
- 22% Utility Company
- 20% Friend or relative

The most frequently selected programs that respondents needed additional support from were:

- 53% Energy Assistance
- 33% Vehicle Repair
- 32% Water Assistance

Chair Schaffer appreciates seeing the average going up.

12. Executive Director Update:

Dr. Hightower is thankful for board, staff, and committee participation. HR committee reports the state of the agency is strong. Dr. Hightower feels the state of the agency is heading in the right direction. The trajectory is really good. Dr. Hightower asked Ms. Krolik to present the 4th quarter giving campaign.

- a. Individual Giving Results 2023 Ms. Krolik presented. Touching on unrestricted revenue, Ms. Krolik stated one of the strategies is to grow the revenue from individual donors. The donor pool is small. There are limitations on the amount of fundraising that can be done. We cannot use grant funds to spend on fundraising activities. There have been slow and steady gains. There was a goal set to raise \$10,000 at the end of 2023 in unrestricted revenue. This goal was exceeded at \$12,100. A \$5,000 donor advised fund gift from a first-time donor at CAP-HC. The hope is to build a relationship with this donor to understand the motivation for the donation. For the year the goal was to raise \$16,000. This goal was slightly missed with a total raised of \$15,500 for all of 2023.

13. New Business:

- a. **Seating of New Board Members**-- Chair Schafer

Three new board members:

- i. Commissioner Debbie Goettle – District 5: Bloomington, Richfield, Eden Prairie south of Crosstown and a sliver of Minneapolis. Vice Chair of the Board, in charge of the administration of the board through committee assignments and budget for the County. Was on the CAP-HC board here during tumultuous times when Minneapolis collapsed into CAP-HC and when CAP-HC was having issues with State certifications, Was on board for the hiring of the new Executive Director and all the board changes.
- ii. Commissioner Marion Greene – District 3: all of St Louis Park, Southwestern Minneapolis, middle of Downtown – to Mississippi river, and Bryn Mawr neighborhood. Excited to serve on the board as the issues and work of CAP-HC are critical for Hennepin County. Excited to learn and make sure partnership is nurtured and strong.
- iii. Brian Smith - CEO of Fortis Capital former Director, Performance Management for City of Minneapolis. Chair Schaffer extended the invitation to Mr. Smith, based on his background and the needs of the organization. In 2008 Mr. Smith was laid off from Hennepin County. During this tumultuous time Mr. Smith became familiar

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with CAP-HC as he needed energy-efficient work done on his house, new windows, and insulation. He was referred to CAP-HC and was impressed with the level of service and available programming for this need. He looks forward to learning more and being a part of this board.

Motion to seat new board members was made by Commissioner Anderson, seconded by Ms. Bryant. MOTION adopted and the seating of new board members was unanimously approved.

b. Reappointing of Board Members – Chair Schaffer

- i. Chair Schaffer
- ii. Council Member Aisha Chughtai
- iii. Council Member LaTrisha Vetaw
- iv. Tyanna Bryant
- v. Samsam Mohamed

Ms. Brock from Council Member Vetaw’s office shared that Council Member Vetaw was reappointed, but Council Member Chungtai was removed and replaced by Council Member Emily Koski. Council Member Chungtai was pulled from the reappointment and Council Member Koski will be seated as a separate action. Commissioner Greene made the Motion to reappoint: Chair Schaffer, Council Member Vetaw, Ms. Bryant, and Ms. Mohamed, seconded by Ms. Chambers. MOTION adopted and the reappointing of board members was unanimously approved.

c. Seat New Board Member and Representative of Minneapolis – Chair Schaffer

- i. Council Member Emily Koski

Commissioner Goettle made a motion to approve, seconded by Ms. Solomon. MOTION adopted and the seating of new board member, Council Member Koski was unanimously approved.

Ms. Bryant shared in closing that she has been talking with PICA to raise awareness of the CAP-HC Homebuyer services available and will work with Ms. Hall on this.

14. Announcements/Information:

- a. 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.

15. Adjournment

The meeting was adjourned by Chair Schaffer at 7:55 pm

Next CAP-HC Board of Directors Meeting:

Thursday, February 22, 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.

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Our **Vision** Hennepin County without poverty

Our **Values** Strengthening Community, Eliminating Barriers, Creating Opportunities,
Building Relationships, Responsible Stewardship, Equity and Inclusion