



**BOARD OF DIRECTORS MEETING**

Thursday, April 28, 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	LaTrisha Vetaw	E
Allen Rezac	P	Naweed Ahmadzai	E
Detra Miller	E	Samsam Mohamed	E
Dominique Pierre-Toussaint	P	Solomon Ogunyemi	P
Falilatou Iniwe	P	Tonja West-Hafner	P
Glaiza Regis	E	Tyanna Bryant	P
Jeff Washburne	P	Victoria Chambers	P
Josh Schaffer	P	Vacant	
Justin Gillette	P	Vacant	
Kevin Anderson	P	Vacant	
Kevin Myren	E		

CAP-HC Staff Present: Dr. Clarence Hightower, Kendra Krolik, Lia Kang, Michael Yarbrough, Tammy Stauffer, Todd Blooflat, Theresa Lumpkins

Guests Present: Marie Primus, BerganKDV

1. Call to Order:

Chair Schaffer called the meeting to order at 6:34 pm. Ms. Lumpkins called the roll. A quorum was present.

2. **Approval of April 28, 2022, Board Meeting Agenda:**

Chair Schaffer asked if there were any changes to the agenda of the April 28, 2022, Board meeting. There were none. Mr. Rezac made a motion to approve, seconded by Ms. West-Hafner. MOTION adopted and the agenda was approved.

3. **Approval of March 24, 2022, Board Meeting Minutes:**

Chair Schaffer asked if there were any changes to the minutes of the March 24, 2022, Board meeting. There were none. Mr. Rezac made a motion to approve, seconded by Ms. West-Hafner. MOTION adopted and the minutes were approved.

4. Study Session(s):

a. 2021 Audit and IRS Form 990

Ms. Primus presented. BerganKDV provided an audit of the agency’s financial statements. The audit was completed remotely the week of March 7, 2022. Due to

the turnover in the accounting department and with the program directors, the agency was subjected to three single audits which wouldn't normally be the case. The three single audits were LIHEAP, CSBG, and the Coronavirus Relief Fund. The agency received a clean unmodified opinion on the financial statements. One significant deficiency was found in regard to the CSBG funding and the monitoring of the Youthprise subgrant. Some recommendations and best practices suggestions were identified by BerganKDV such as the creation of a succession plan for the Executive Director. The independent auditors report has changed. The opinion has been moved to the first paragraph on the first page. Leases have changed in the report as well. Long-term operating leases will show as an asset and an offsetting liability for the term of the lease on your statement of financial position. This change applies to all non-profit and for-profit companies.

Ms. Primus all reported that the IRS Form 990 did not change much from the previous year.

b. 2021 Community Services Block Grant (CSBG) Annual Report

Ms. Krolik presented. The Community Services Block Grant (CSBG) Annual Report is required by the Minnesota Department of Human Services Office of Economic Opportunity (MN DHS OEO) on an annual basis to gather Community Action agency data in a standardized format. All Minnesota state data is aggregated for a national report to the U.S. Congress; the final national-level report can be found on the National Association for State Community Services Programs (NASCSPP) website. The report is divided into four modules which each Community Action agency in the nation is required to complete. CAP-HC submitted the report to MN DHS OEO in February 2022. A high-level summary of the report was reviewed during the meeting.

c. Revenue Diversification

Mr. Washburne and Ms. Krolik presented. Ms. Krolik, Mr. Washburne, and Mr. Myren previously met to discuss revenue diversification and creating energy around raising general operating funds for the agency. The agency's current funding is very programmatic and restrictive. Mr. Washburne raised the question of "if we could do more, what would we do and how would we do more than what the current grant(s) restrict us to do." As the agency goes through the Strategic Plan, the focus should be on how we can be more responsive to the needs of the community. The question was asked if the agency is seeking solely unrestricted funding for general operating or is the agency looking for innovative programming funds. Ms. Krolik commented that the agency is in need of both. Ms. Krolik also commented that some feedback she received from private funders this year is that they are looking for a compelling vision of what CAP-HC is trying to accomplish with our programs. They want to know how CAP-HC is going to make a difference in the lives of those we are serving with the funds they give. The strategic planning process allows the agency the opportunity to focus on prioritizing specific programs and targeting funders to support those initiatives.

**5. February 2022 Financial Statements and March 2022 Cash Flow Report:**

Mr. Rezac reported that the Finance and Audit Committee met and had a quorum. He led the Board through the financial narrative of the February 2022 financial statements. For

February 2022, CAP-HC finished with a deficit in net assets of (\$1,291). The deficit for the month was the result of non-cash expenses depreciation and expense amounts of funds recognized as revenue in prior fiscal years as well as non-reimbursable expenses offset by small amounts of interest from the MAGIC and checking accounts and donations received in February. The spending of these funds previously recognized in prior years was anticipated and is budgeted for in the 2022 budget. There was an increase in Professional Services due to unexpected costs for temporary staffing, mainly the HR Director position. The Grant Expenditure Status Report was reviewed. The Finance and Audit Committee is closely monitoring the CSBG CARES Act Supplemental Grant and CDBG Grant are behind the spend down rate, but staff is confident the grant will be fully spent down by the due dates. The March 2022 Cash Flow Report was reviewed. It is anticipated that cash flow will increase over the next few months due to receiving some grants that pay up front instead of on a reimbursement basis.

Mr. Rezac recommended that the Board accepts the February 2022 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 Pro-Active Self-Sufficiency Grant from the Department of Commerce was received in the amount of \$83,000 for the Energy Assistance Program. This is a \$10,000 increase from last year and these funds are used to provide client education on reducing household energy needs and increasing energy security. The Shavlik Foundation Grant in the amount of \$20,150 was denied. The Frey Foundation Grant Letter of Intent in the amount of \$50,000 was also denied. The agency has not yet heard back from Ameriprise and will follow up on the status. The City of Brooklyn Park reached out to the agency, and it is unlikely that CAP-HC would get more than \$20,000 even though the request was \$70,000.

7. Finance and Audit Committee Update:

Mr. Rezac commented that the committee met and had quorum. In addition to the financial statements and cash flow, the committee also reviewed the audit presentation. Staff has requested permission to do a revised budget to take into consideration increased revenue of approximately \$850,000 for Energy Assistance that had not been budgeted. Staff will submit a budget amendment for approval at a future board meeting.

8. Human Resource Committee Update:

Committee Chair Gillette shared that the HR Committee met and did not have a quorum. The committee received an update on the search for the HR Director. An update was given on the Culture Initiative. Staff is also in the process of working on implementing the return to the office for employees. There are currently approximately ten open positions within the agency.

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

Committee Chair Bryant shared that the P&E Committee met and had a quorum. Chair Bryant shared a program highlight about the Volunteer Income Tax Assistance (VITA) program. CAP-HC served a total of 338 returns this season through VITA. Of those 338 returns; 86 were federal, 183 were state, and 69 were property returns. The committee

reviewed the Monthly Program Data Report and the Grant Application Report.

#### 10. Monthly Program Data Report:

Ms. Stauffer presented. This report gives the year-to-date program totals as well as totals for the month of March 2022. This report gives the year-to-date program totals as well as totals for the month of March 2022. For the month of March, 2,453 total households were served, of which 2,003 were for the Energy Assistance Program. The total number of households served for the year is 6,080. The total number of households served for each program was also reviewed. Currently, four programs are running ahead of schedule: Energy Related Repairs, Water Assistance, Emergency Housing Assistance, and Rapid Rehousing programs. Two programs are right on track; Energy Assistance and the Transportation Assistance programs. Three programs are behind schedule: Auto Insurance Assistance, MNsure Application Assistance, and the VITA program. The VITA program is actually on track as of April; however, this report lists the March numbers. The Homebuyer Education and Vehicle Repair programs have low numbers due to current staffing issues. These numbers should increase as soon as the open staff positions are filled.

#### 11. Executive Director Update:

##### a. Property Search Update

Dr. Hightower presented. The agency is planning to sign a lease agreement with the current landlord for an additional year.

##### b. Youth Center Update

Dr. Hightower presented. The youth center is moving on two tracks. The legislature is going well. It will be in the House side of the bonding bill, but it will not be in the bonding bill on the Senate side. Staff has been assured by senate leadership that once it gets to the conference committee there will be senate leadership support. The Minneapolis Public Schools (MPS) is in the process of meeting to determine their surplus properties. There are two buildings in north Minneapolis that are of interest for the youth center. MPS will take proposals for these building in the near future.

##### c. Client Satisfaction Survey Update

Dr. Hightower presented. The Client Satisfaction Mean Scores were revised in the survey due to an error that was discovered. In previous years, the "Does Not Apply to Me" answer had a point value of 3 which was skewing the results. Going forward, this column would not have a point value and would be zero or N/A. This has resulted in a higher mean score.

##### d. Agency Dashboard

Dr. Hightower presented. The agency dashboard is a valuable tool for board members. It provides a snapshot of the agency information. The dashboard is always available in the board portal on the agency dashboard for board members to view.

##### e. Board Self-Assessment

Dr. Hightower presented. The Board Self-Assessment is something that must be done as an organization in good standing. This gives all board members a chance

to evaluate themselves. Ms. Lumpkins will send a questionnaire to all board members tomorrow to complete. The deadline for completion is May 6. The results will be shared with the board at the next meeting.

f. **Community Action Month**

Dr. Hightower presented. May is Community Action Month across the country. This is a great opportunity to raise awareness about Community Action via social media or within individual networks. All Community Action agencies are asked to host a pizza party on May 20. All CAP-HC staff will be invited to come to the office to participate.

12. **New Business:**

a. **2021 Audit and IRS Form 990** -- Mr. Blooflat

The 2021 Audit and IRS Form 990 were previously reviewed during the meeting as a study session. Staff is seeking approval of the 2021 Audit Reports and IRS Form 990.

Motion made by Mr. Rezac, Seconded by Ms. Bryant. Discussion, none. Motion approved.

b. **2021 Community Services Block Grant (CSBG) Annual Report** -- Ms. Krolik

The 2021 Community Services Block Grant Annual Report was previously presented during the meeting as a study session. Staff is seeking approval of the 2021 Community Services Block Grant as previously submitted.

Motion made by Ms. West-Hafner, Seconded by Commissioner Anderson. Discussion, none. Motion approved.

c. **Re-Seat Board Members** -- Chair Schaffer

i. **Justin Gillette – Private Sector**

ii. **Kevin Myren – Private Sector**

iii. **Solomon Ogunyemi – Community Member Sector**

The three board members listed above are all up for re-election.

Motion made by Ms. Bryant to re-seat Justin Gillette, Kevin Myren, and Solomon Ogunyemi, Seconded by Ms. West-Hafner. Discussion, none. Motion approved.

13. **Announcements/Information:**

- a. The Board Roster, Board Calendar, and Board Committee Assignments were included in the Board packet for review. A link to the Board Portal on the agency website was also included on the agenda.

Ms. Bryant commented about the increased violence in north Minneapolis, and she is hopeful that CAP-HC can do its part to help try to decrease the violence.

14. **Adjournment:**

The meeting was adjourned by Chair Schaffer at 7:58 pm.

Next CAP-HC Board of Directors Meeting:

Thursday, May 26, 2022

6:30 – 8:00 pm