

Community Action Partnership of North Alabama, Inc.  
Board of Directors Meeting  
April 25, 2019  
Central Office

Joe Holmes opened the meeting at 8:30 a.m. and welcomed those in attendance.

Board Members Present: Pat Busing, Jackie Peek, David Ware, Benita Owens, Dawn Owens, Joe Holmes, David Mathews, Pat Gilbert, Dana Pigg, Dusty Baker, Joey Martin, Tommy Praytor

Board Members Absent: Keunna Swopes, Jennifer Taylor, Heather Smith, Sandy Adams, Tim Littrell

Advisors Present: Bruce Jones, Sherry Pentecost, Cissy Pearson

Advisors Absent: Matt Holmes, Stephanie Pitts, Marcie Hill, Tricia Culpepper, Barbara Sittason, Paul Lott, Bruce Gordon, Sheryl Marsh, Allen Stover

Legal Counsel to the Board: Jonathan Watson

Guest Present: Trae Norrell

Staff Present: Allison Speegle, Tim Thrasher, Deborah Cottingham, Cindy Anderson, Alicia Higginbotham, Tammie Clark, Dave Truitt, Kim Dodd, Lorrie Mauro, Laurie Lincoln-Swaim, Jaimie Naylor, Venessa Leffers, Aron Boldog, Nathan Curry, Holly Hicks, Candy Ayers, Chantel Collier, Angela Ingram

Roll Call to Establish Quorum

Allison Speegle conducted roll call and a quorum was established.

Introduce Guests

Tim Thrasher announced the following changes to the Board of Directors: Jackie Peek will now serve as the Community Representative for Morgan County and David Ware will serve as the Community Representative for Lawrence County. Sherry Pentecost and Cissy Pearson are serving as Advisors to the Board. Trae Norrell of Cullman is attending today's meeting for possible interest in serving as an Advisor to the Board.

### Approve February 28, 2019 Minutes

Tab 1 in notebook. The minutes were sent electronically to all members and advisors prior to the meeting. Joe Holmes opened the floor for any questions and/or corrections. There being no corrections he asked for a motion to approve the February 28, 2019 minutes as received. David Mathews motioned. Benita Owens seconded. There being no further discussion vote was taken and motion approved.

### Executive Directors Report

Tab 2 in notebook. A copy of the Executive Directors report was sent electronically to all members and advisors prior to the meeting. Tim Thrasher stated the report was lengthy but there are a lot of good things happening at the agency. Tim highlighted the following from the report:

Handy Head Start Relocation of 13 classrooms, 200 children and 35 staff is moving forward to vacate the building by June 30<sup>th</sup>. Kim Dodd and others involved in this process have been looking for space that can be utilized immediately. Tim stated that it is very important for you as a Board to know that a team approach has been adopted and that Kim Dodd, Fred Harvey, Lorrie Mauro, Deborah Cottingham, Alicia Higginbotham, Dwayne Blackmon, Teressa Bearden and the Handy Center Director have all been involved in this process. Tim shared that he is very proud of the leaders and how they have adopted him as a leader.

Experiencing some challenges with the Senior Services Program. Tamisha Sales has resigned to take another position effective 4/30. Tim explained that we have been informed that we will be required to have a Director for the Senior Companion Program and Director for the Foster Grandparent Program. In the past they allowed us to have one Director for both programs. Tim stated that we have two capable leaders stepping into these roles. The Senior Companion program will have a scheduled monitoring visit in May. The Leadership Team has rallied together to assist in addition to a subset committee of the Leadership Team to help and support our new Senior Program leaders.

Tim and Dave Truitt attended FAHE training this week where they were exposed to some different ideas and ways to do things including working with seniors.

Angela Ingram was recognized for being one of four scholarship recipients for online training through the Building Performance Institute.

Received Home Funds for our Aiken, South Carolina property to assure construction of affordable housing opportunities.

Received additional NeighborWorks funding as a result of our Exemplary rating.

Being provided additional funding from the City of Montgomery to create safer communities at Amanda Loop.

Working with Dana Pigg with the City of Decatur on an AARP grant which may influence our Senior Services.

Tim asked all members and advisors to review this report and to contact him with any questions. Joe Holmes stated that he echo's Tim's thanks to the staff and the great job they are doing.

### Financial Committee Report

Tab 3 in notebook. A copy of the financial reports were sent electronically to all members and advisors prior to the meeting. Lorrie Mauro stated the Financial Committee of the Board meets on a monthly basis and reviews the reports in depth.

The following review was presented:

Financial Information Dashboard – First page of report reflects the key ratios. The second page is a trending analysis and provides an idea of where the budget is currently compared to prior years.

Balance Sheet – Consolidating Financial Position – The Current YTD Net Income is \$565,825.

Statement of Revenues and Expenditures – Report reflects the agency's fiscal year. The first page of report is a summary page and the following pages of this particular report reflect the detail of the summary page. The Current Year Actual Revenue is \$9,857,877.56 with Total Expenditures of \$9,292,052.26.

Statement of Revenues – Public/Non-Public – Public Support funds are any revenues that are received from federal, state or local government. Total Revenues for current YTD is \$9,369,888.92.

Statement of Activities – Expenditures-Combining Schedule of Activities w/Budget – Reflects each grant of the agency and the activity that occurred during the month.

Statement of Revenues and Expenditures Head Start 12 County – Should be at 73% of the total budget and is at 72.91% actual revenue and 72.91% actual expense. It was noted that some of the risks listed on infographic are lack of multi-level funding stream and loss of classroom space with challenges being aging facilities and no written plans for upgrading/budgeting.

Statement of Revenues and Expenditures – Early Head Start Madison/Limestone – Should be at 8% of total grant and is at 4.48% actual revenue and 4.65% actual expense. Risks noted was lack of multi-funding sources.

Statement of Revenues and Expenditures – Head Start Madison/Limestone – Should be at 8% of total budget and is at 5.71% of actual revenue and 5.71% actual expense. Risks noted were lack of multiple funding sources with challenges being Tanner trailers.

Statement of Revenues and Expenditures – Head Start Lauderdale County – Should be at 8% of total budget and is at 5.93% actual revenue and 5.93% actual expense. Risks noted were lack of multi-source funding with challenges being loss of space at Handy Head Start and renovation and purchase cost of new facility.

Statement of Revenues and Expenditures – Pre-K – Should be at 50% of total budget and is at 71.76% actual revenue and 39.84% actual expense. Challenge is the oversaturation of enrollment leading to relinquishing of grants.

Statement of Revenues and Expenditures – First Teacher – Home Visiting Grant – Should be at 50% of total grant and is at 76.28% actual revenue and 45.34% actual expense.

Statement of Revenues and Expenditures – Early Head Start DHR – Should be at 55% total budget and is at 58.96% actual revenue and 55.43% actual expense. Challenges are meeting quality standards and enrollment, meeting the 80% slot requirement, building and sustaining partnerships.

Statement of Revenues and Expenditures – USDA – Should be at 50% of program year and have expended 51.82%.

Expenditure Journal – Credit Card Expenditures – Report reflects charges to American Express, Office Depot, Home Depot and Wex Bank which is fuel purchases for agency vehicles.

Posted General Ledger Transactions – The first report is sorted by dollar amount and the second report is any vendor that received more than one payment during the month.

Lorrie stated that the auditors are on-site and have determined that Head Start and CSBG will be audited.

Tim Thrasher shared that anyone is welcome to attend the Finance Committee or Housing Committee meetings. He stated that this is a lot of information and hard to understand and stressed to please contact Lorrie Mauro or himself with any questions.

Lorrie Mauro informed all in attendance that we will be pursuing a capital loan from NeighborWorks America. She went on to explain that there is a lot of upfront cost when doing housing deals and the majority of time the cash flow projections are for three years. Lorrie stated that it is possible that we could have two projects at one time and this loan will allow us to smooth out this cash flow. The Financial Committee will be in charge of all expendables for this loan and it will only be used for leverage for housing, it will not be used for salaries and is an unsecured loan.

The floor was opened for questions. Joe Holmes asked for a motion to approve the Financial Committee report as presented. Pat Gilbert motioned. Benita Owens seconded. There being no further questions vote was taken and motion approved.

#### Authorizing Resolution – Capital Landing LIHTC Application - Georgia

Tab 4 in notebook. A copy of the authorizing resolution was sent electronically to all members and advisors prior to the meeting. Dave Truitt officially welcomed Tammie Clark as the newest member of the Real Estate team. Dave explained that this resolution will allow for submission of a tax credit application for Capital Landing in Georgia which is the southeast of Atlanta. This project will be partnering with AEP of Atlanta and we would be the sole General Partner. This project will differ from Alabama deals in that they are a one stop shop, they will buy the tax credits and manage the property. At the end of the 15 year period they will have the first right of refusal. They have state tax credit which Alabama does not, we have federal tax credits only in Alabama. As the sole General we have the potential of one million dollars in developer

fees. Dave stated that the Housing Committee has approved moving this application forward. Tim Thrasher stated that AEP is involved in numerous tax credit deals and have over 200 properties in Missouri.

Dawn Owens asked why the State of Georgia and does this align with the mission statement to which Dave responded that we submitted an application in Georgia two years ago that did not get funded. He stated that the Board of Directors Bylaws state we will develop affordable housing and remaining exclusively in Alabama we are limited with the number of projects we can do, which is basically one per year. He stated that our goal is to grow and we want to do as much housing as possible and that this a good opportunity which will provide us an additional fee to support programs. We have multiple properties that are aging and will need renovations in the upcoming future which will fill up our pipeline. Dave stated this is a competitive process and we are not guaranteed we will be awarded project. We are currently in South Carolina and North Carolina. Dave stated that it has gotten tougher to do business in South Carolina and Georgia is closer and more manageable. Tim Thrasher stated that we are looking at other opportunities outside the tax credit world which Dave has been exploring.

Pat Busing asked, "What is the long term plan if we see more deals going to Georgia?" to which Dave responded that we are looking to do two rehab projects in Alabama. We have not had a partnership in Georgia before and are looking to expand our footprint. . Joe Holmes asked the timeframe for approval to which Dave stated that May 23 is the submission date and award notifications will be in August. The rehab application will be submitted in March and award notification will be June. Pat Busing stated that Dave and his staff do a wonderful job managing these properties.

Dave Truitt also reminded everyone of the "Lunch and Learn" tomorrow at 11:30 a.m. He stated this is an effort to educate the City of Decatur on what we do and what a tax credit deals look like.

Joe Holmes asked for a motion to approve the Authorizing Resolution – Capital Landing LIHTC Application – Georgia as presented. David Mathews motioned. David Ware seconded. There being no further questions vote was taken and motion approved.

#### Lauderdale Grant Update and Approval of the Supplemental Request for Lauderdale County Grant

Kim Dodd stated that she is requesting approval to apply for an emergency supplemental grant for Handy Head Start. She stated that they have found a building that will accommodate all 13 classrooms and plans are to make an offer today. The request will be asking the Office of Head Start for a supplemental grant for a percentage of a loan for building and renovation costs. Kim did state that she did not know at this time what amount she would ask for but thought it might be around 80% because the total project is estimated between 2 and 2 ½ million dollars. Kim shared that the Office of Head Start could possible provide us the money and we would have to re-apply for funding each year to pay down the mortgage. She stated that she was asking for approval for an undisclosed amount of money. Kim shared that we do not

have a lot of choices in that area and that she and a team of staff have been looking since receiving the call that we would need to vacate the current location. Kim did state that she had contacted the Head Start Program Specialist to discuss the building and that they have been very supportive but also were not happy with the way this has happened. The proposed building is approximately 3 miles from the current site and it is something that the children and families will be proud of. Joe Holmes stated that from a fiduciary standpoint that the Board needs to set an amount to which Kim stated that she would like to be able to apply for whatever is needed and needs approval to move forward. Jonathan Watson, Legal Counsel to the Board, asked Kim to state what exactly what she was asking the Board to approve. Kim stated that she is asking the Board to approve her to submit an emergency supplemental application to the Office of Head Start for funding the partial cost of the purchase of the building and renovations. Dave Truitt stated for clarification purposes this is an authorization to request funding with a total development cost is \$2.5 million estimated. Pat Busing asked if a resolution would work better in this situation to which Jonathan Watson stated it would but we do not have that. He stated that the parliamentary rules require that motions have to be specifically worded and the Board has to know what is being asked and the concern is that we do not know the exact figure. He did state that there has been some illumination on that and that it is his understanding that Kim is asking for permission to ask for a loan. Jonathan did recommend that there be a cap on the amount so the Board will know what they are voting on to which Kim responded that it would be safe to say a \$2.5 million cap. Jonathan Watson stated that since this is not in writing that he would say that as Directors each one needs to clear what they are approving so he advised that they can ask questions and know what they are being asked to approve. Pat Busing stated that he was fine with the request that his concern was over the loan, purchase and the effect on the balance sheet. Jonathan Watson asked Kim if she was asking the Board for approval to go make a purchase to which Kim stated she was not. Dusty Baker asked where the dollar number comes in if we are only asking for permission to submit a request.

Pat Busing made a motion giving Kim Dodd and Head Start team the authorization to apply for supplemental funding with the Office of Head Start for purposes of purchasing and renovating building for Handy Head Start in Lauderdale County in an amount not to exceed 2.5 million. Dusty Baker seconded. Sherry Pentecost asked if there will be an increase in staff since there will be kitchen and will this impact the budget to which Kim responded that we currently have staff now that transport meals. David Ware said as Chairman of Policy Council that this has been discussed and he has a child in this program and the impact it will have on the community will change a lot of lives in Lauderdale County.

Joe Holmes stated there was a motion and second on the floor and asked Allison to read the motion. There being no further questions vote was taken and motion approved.

Approval of the Application for the In-kind Waiver Request for Lauderdale County Grant  
Kim Dodd stated that when we asked for funding from the Office of Head Start that we are required to have a 20% match. She stated that would like permission to submit an application requesting a waiver for the in-kind. Tim Thrasher stated that this has been discussed with the Office of Head Start and they have actually encouraged applying for this waiver. Joe Holmes asked for a motion to approve the application for the in-kind waiver request for the Lauderdale County Grant. Pat Gilbert motioned. Dave Ware seconded. There being no further questions vote was taken and motion approved.

Kim Dodd shared that she knows this is a difficult situation and she appreciates the questions. Joe Holmes stated that from being on the Policy Council and Financial Committee that staff have done a wonderful job navigating this. Jonathan Watson asked Kim if she had any idea when an offer will be made on building to which she responded that the plan was to make an offer today. Jonathan Watson asked if she thinks the Board needs to approve this. Tim Thrasher stated that the architect has looked at the building and an appraisal has been done. Kim stated the owner is eager to sell and that we were told to offer \$950,000 and that the property is worth about \$1.8 million as it. Tim Thrasher shared that we have explored FAHE bond funds, reinvestment funds suggested by NeighborWorks as possible funding. Dave Truitt stated that the best option will be reinvestment funds by NeighborWorks. FAHE is a great partner but they have not done Head Start projects and they are a typical lender. NeighborWorks will give us a 10 year term and they are also a CDFI. An offer will be sent to the realtor today and we will put down \$10,000 earnest money with a clause to be able to nullify contract if we choose and we will receive money back. After 60 days if we move forward we will need resolution from the lenders. Kim stated that it is her understanding that the bank is about to step in and take this property. Jonathan Watson asked if the offer made today will have a condition that makes subsequent approval from Board for this deal. Jonathan stated that if an offer is made today and seller accepts it, at some point the Board needs to review and approve what this deal is going to be including finances. Dave Truitt said this particular language is not in there currently but it can be added. Jonathan stated that when we buy or sell property generally Board approval is required. Jonathan stated this is a significant commitment and there are two questions to ask: "A" have we approved this type of offer in the past or "B" are we not at the stage of doing this. Dave Truitt stated this is new territory for us. Jonathan Watson stated at some point the seller is going to say there is a lot of conditions but the Board has to have oversight whether this type of deal goes through and says this action needs a resolution and if the Board is approving this today then it must be established exactly what the offer is. Dave Truitt stated that we have an escape clause in offer and that we can add language about Board approval. Jonathan Watson asked if the motion today would be to authorize Lorrie Mauro and Tim Thrasher to make an offer on behalf of the agency. Jackie Peek asked about environmental study to which Dave Truitt responded that this is currently being worked on. Kim Dodd stated that she has sent a letter to the financial person at the Office of Head Start asking for reimbursement for architect and Phase I cost at the instruction of the Program Specialist. Tim Thrasher stated that he did not know if this large of a purchase has been made in the past and there are limited facilities in that area. Kim

Dodd shared there were approximately 27 questions she had to answer and that she also had to get a commercial realtor that could say there is no available or comparable building in this area. The deed, Phase I environmental study and new appraisal must also be submitted to the Office of Head Start. Jonathan Watson advised the Board to decide if they are comfortable to allow Kim Dodd and Dave Truitt to move forward while reminding them it is not feasible for the Board to micromanage this and delegate staff to do their job. Dave Truitt asked that we be given approval to make an offer on the property in the amount of \$900,000 not to exceed \$1.2 million and this will be a 60 day contingent offer based on due diligence and Board approval. Pat Busing motioned. David Matthews seconded. There being no further questions vote was taken and motion approved.

Sherry Pentecost asked if there had been any conversation on making it a community project and seeking out services. Kim Dodd stated this building will not be ready until 2020 and there have been some discussions about campaigns. Tim Thrasher shared that Kim has four childcare agency classrooms that are willing to partner and that she has also received permission to do home based but she wants to find a partner for an additional 9 classrooms.

#### Human Resources Policies and Procedures - Revisions

A link to the Human Resources Policies and Procedures Revisions was sent to all members and advisors prior to the meeting. Alicia Higginbotham, Human Resources Director, stated that we have been reviewing these policies for some time and that we started with the Leadership Team and then a small group came together to review the policies even more in-depth. Once the Leadership Team had reviewed all the proposed changes then it was presented to the Head Start Policy Council. Tim Thrasher stated that Matt Miller, HR Attorney in Birmingham has reviewed the document and did make some recommendations which were included. New policies such as working from home, flex schedules have been added. Alicia stated that we do have one situation in the Fiscal Department that one employee who has been diligent with job and the results of what she has done is easy to track is moving. Alicia said she has worked where the corporate office was located differently and we are putting something like this in place. This will be something we will have to continually review performance on a more formalized basis throughout the year. Joe Holmes asked for a motion to approve the Human Resources Policies & Procedures revisions. David Mathews motioned. Pat Busing seconded. There being no further questions vote was taken and motion approved.

#### CEO Succession Plan

Tab 5 in notebook. A copy of the succession plan was sent electronically to all members and advisors prior to the meeting. Tim Thrasher gave a brief overview of the succession plan and stated that it outlines procedures that will be utilized. It is an Organizational Standard requirement that the Board of Directors approve the CEO Succession Plan. Tim shared that he has given some names to Allison Speegle, Joe Holmes, Alicia Higginbotham and Laurie Lincoln-Swaim in case something were to happen. Tim shared that the Leadership Team has also submitted succession plans. It



was noted that the Board would have final approval. Joe Holmes asked for a motion to approve the CEO Succession Plan. Joey Martin motioned. Benita Owens seconded. There being no further questions vote was taken and motion approved.

#### CAPNA Risk Assessment

Tab 6 in notebook. A copy of the summary pages were sent electronically to all members and advisors prior to the meeting. Laurie Lincoln-Swaim stated that the full document was shared in the email link that was sent to all members and advisors prior to the meeting. She stated that it is a requirement of Organizational Standards that a risk assessment be completed every two years. Laurie gave a brief overview of the information and stated that the dashboard reflects potential risk in blue with recommendations. Laurie stated that nothing emerged that were major risks that need to be addressed or changed from the previous assessment. She did share that there are some things we could look at for improvements based on how we as a Leadership Team answered the questions. Laurie reviewed the color coded topics. Joe Holmes asked for a motion to accept the CAPNA Risk Assessment. Pat Gilbert motioned. Benita Owens seconded. There being no further questions vote was taken and motion approved.

#### Results Report –DYS, Community Free Clinic and Good Samaritan Health Clinics

Tab 7 in notebook. A copy of the results reports were sent electronically to all members and advisors prior to the meeting. Laurie Lincoln-Swaim gave a brief overview of the information. She stated that the Community Free Clinic and Good Samaritan Clinic are partnership that were started in 2013. The Community Free Clinic outcome is 16 of the 18 participants maintained a full-time employment for at least 120 days. The Good Samaritan Clinic outcome is 36 of 38 participant's maintained full-time employment for at least 120 days.

Laurie shared that what we have learned is those individuals with health issues will not stay employed if their job does not provide benefits. At this point two videos were shown.

Laurie reviewed the outcomes for DYS (Decatur Youth Services) and stated this partnership began in 2012. The number of youths sponsored annually is 30 and the 2018 students earned a stipend of \$400.00. She stated that the students that participate in this program come from the Decatur or Lawrence County school system and most come from single parent families. By participating in this program it teaches the students the importance of being on time, having a good afternoon, how to handle money and how to prepare and dress for an interview. Laurie stated that we are the only partner that brings money for stipends for the youth and puts money in the game for expenses for health care. It was noted that a couple of students from DYS gained employment through the high school years and paid part of their college. Video was shown.

### Customer Satisfaction Survey

Tab 8 in notebook. A copy of the survey was sent electronically to all members and advisors prior to the meeting. Laurie Lincoln-Swaim reviewed the survey results. She stated that surveys are on-going in Housing Counseling and LIHEAP programs. She stated that we are being perceived very well by customers. It was noted that 85% of clients were not new to us and a lot of disabled or seniors that are on fixed income. 99% stated that they have been so well screened that they were able to be served. Laurie stated there were no improvements recommended. She did state that only one person suggested that we offer rent assistance however we currently do not have rent funds available.

### Other Business

Tim Thrasher introduced Chantelle Collier who is the new Foster Grandparent Director. Jordan Jones is now the new Senior Companion Director.

Terri Womack has resigned from the Board due to a new job. If anyone has a recommendation for a Lawrence County Representative please let Tim or Allison know.

Tim Thrasher shared that he received an email from Fred Bennett who was our partner in the Hixon Pond project. The first resident, Benita Eileen, who was a single parent and homeless prior to moving into these apartments now has the #1 Christian Country song.

Alicia Higginbotham mentioned the passing of Richard Lyons, former employee of the agency and shared that a memorial service is planned for June 3<sup>rd</sup>.

Joe Holmes thanked everyone for their time and patience today as we worked through the agenda. He also shared that United Way of Morgan County announced they had raised \$1.8 million dollars. Some of these funds will come to the Meals on Wheels and Senior Services programs. Joe thanked the agency for their continued support.

The floor was opened for any additional information. There being no further discussion Joe Holmes adjourned the meeting at 10:23 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board of Directors.

---

Joe Holmes, Board Chair

---

Tim Thrasher, CEO

---

Benita Owens, Secretary