

Community Action Partnership of North Alabama, Inc.
Board of Directors Meeting
February 27, 2020
Central Office

Tim Littrell, Vice Chair opened the meeting at 8:37 a.m. and welcomed those in attendance.

Members Present: Mayra Del Valle, Sherry Pentecost, David Ware, Benita Owens, Teresa Presto, Jennifer Taylor, Joe Holmes, Brent Breedlove, Pat Gilbert, Heather Smith, Sandy Adams, Allen Stover, Joey Martin, Tim Littrell

Members Absent: Charles Owens, Dusty Baker, Tommy Praytor

Members Electronically: None

Advisors Present: David Mathews, Paul Lott, Bruce Gordon, Sheryl Marsh, Cissy Pearson, Trae Norrell, Keunna Swopes

Advisors Absent: Dana Pigg, Stephanie Pitts, Marcie Hill, Tricia Culpepper, Dawn Owens

Advisors Electronically: None

Guest Present: Lemzel Johnson, John Bono,

Staff Present: Jennifer Morgan, Laurie Lincoln-Swaim, Tim Thrasher, Lorrie Mauro, Nathan Curry, Deborah Cottingham, Kim Dodd, Chris Reinhart, Aron Boldog, Alicia Higginbotham, Jaimie Naylor, Magen Claborn, Cindy Anderson, Candy Ayers, Chantal Collier, Jordan Jones, Allison Speegle

Introduction of Guests

Tim Thrasher shared that Lori Eastman with 3M was joining the meeting by skype. John Bono with the UPS Store in Decatur is attending as a guest of Sherry Pentecost and Lemzel Johnson with Decatur Youth Services is attending as a recommend from former board member Bruce Jones. Tim introduced Chris Reinhart who is new to the Housing Business Unit.

Introduction of New Community Members

Tim Thrasher stated that a community election was held on February 14th at Decatur City Head Start and Sherry Pentecost was elected to represent Morgan County Community Sector. Sherry is replacing Pat Busing who submitted a letter of resignation as a board member. Teresa Presto who has expertise in Early Childhood Education was elected through a community election in Cullman to represent the Cullman County Community Sector. Teresa is replacing Dawn Owens who completed her 5 year term of service. Dana Pigg who was an appointee of the Mayor of Decatur representing the Public Sector has relocated to Tuscaloosa and Allen Stover who was serving as an Advisor to the Board is the new appointee of the Mayor of Decatur

Roll Call to Establish Quorum

Allison Speegle conducted a roll call and a quorum was established.

Election to Fill Vacancy of Board Chair and Other Offices as Necessary

Tim Littrell shared that an unusual situation has arisen and asked Tim Thrasher to explain. Tim Thrasher stated that last Friday Pat Busing who was serving as Board Chair asked for a meeting and explained that the internal auditors for Alfa determined that since we have some employees that have insurance through Pat, which he disclosed when he began serving on the board and also on the Conflict of Interest statement, that Alfa's internal policies will not allow him to serve as a board member. Pat is currently asking for clarification to see if they will allow him to serve as an Advisor to the Board. Tim Littrell stated that we will need nominations for a Board Chair today. Tim Littrell stated that he is out of town a lot and did not think it would be fair for this organization to assume the Chair role.

Jonathan Watson, Legal Counsel to the Board recommended that we start by describing the responsibilities the Chair would have to which Tim Thrasher stated the Board Chair works closely with him and looks at his performance and is heavily involved in what we do. The Board Chair meets and communicates often and serves on committees. This individual needs to be accessible to sign documents as needed. This position has been held previously by Joe Holmes, Paul Lott and David Mathews. Only Board members are eligible to serve in this position.

Tim Littrell opened the floor for nominations. Benita Owens nominated Joey Martin who stated that he is out of town a lot and declined. Jonathan Watson stated that the board has a couple of options, the Board can elect someone today through the process or a Nomination Committee can be appointed who then vets people that might be interested which is not as public as this process is but that particular committee would need to be appointed today.

There being no further nominations or volunteers Tim Littrell asked for a motion to use previous Nomination Committee which consists of Tim Littrell, Joe Holmes and Sherry Pentecost to nominate a new Chairman to serve remainder of the year. Benita Owens motioned. Jennifer Taylor seconded. There being no further discussion motion was approved. Allison Speegle will schedule meeting.

Approve December 12, 2019 Minutes

The minutes were sent electronically to all members and advisors prior to the meeting. Tim Littrell opened the floor for any questions and/or corrections. There being none Tim asked for a motion to approve the December 12, 2019 minutes as received. Joe Holmes motioned. Benita Owens seconded. There being no further questions motion was approved.

Executive Directors Report

A copy of the Executive Directors report was sent electronically to all members and advisors prior to the meeting. Tim advised all to read through the report and shared there are things that have taken place since the last meeting until today. The following highlights were noted:

Alicia Higginbotham along with a committee have formed WOW – Wellness in the Workplace. We are encouraging wellness through nutrition and financial. Tim shared that a healthier workplace means better productivity and this is being done through better nutrition and financial suggestions. It has also proven to help with the culture and moral. Staff are being supportive of the program and each other.

Application grant was submitted for the Enterprise Affordable Breakthrough Challenge Opportunity through Montgomery's Economic Development and City Planning group. Six grants for \$2.0 million will be awarded for innovative, affordable and sustainable housing. We proposed a construction model using SIPS (structural Insulated Panels) to provide a model for environmentally innovative and healthy housing for low to moderate income families in Montgomery which we would service through the CAP agency in Montgomery. There will be 3 phases of this project.

Republic Services Foundation awarded the agency one of 24 National Neighborhood Promise Grants. This will be utilized in East Decatur during NeighborWorks Week to revitalize the inside of 7 homes in addition to the outside work that is done.

The former Boys/Girls property adjacent to the Tanner Head Start was purchased for \$165,000. The building which currently has 9 classrooms and a kitchen will be renovated for our existing and future students. We are currently looking to secure some additional funding for renovations from the Deco Foundation. There is also some FAHE monies that we could apply for.

Received \$45,000 from the Safe and Sound Strengthening Rural Homeownership through NeighborWorks which will allow us to renovate a minimum of 4 homes. Lawrence County will be the target area. We are one of 12 agencies that were invited to participate in this program.

Representatives from the Women's Council of Birmingham, Morgan County DHR, Career Center, Representative Terri Collins along with Kim Dodd, Ashley Beasley and Tim met recently at the Vivian C. Tuner Learning Center to discuss a pilot program to assist in

providing workforce and low income families with early learning opportunities through this location. Senator Arthur Orr was also present and toured the facility.

Energy Bus Training is a program that was implemented through Children's Services. Training was held recently in Huntsville for all Children's Services leaders along with the Leadership Team of the agency. Program stress positive energy by envisioning the future. This program is being used to create better practices in the lives of our employees both professionally and personally and enhancing our organizational culture through positive attitudes and utilization of strengths in the workplace.

Matt Braye is the new Inventory Management Specialist and is doing an outstanding job. A new inventory management and fleet vehicle systems system has been implemented. Items that will no longer be used are currently being donated to other organizations. Tim shared that he received a picture of children from Haiti utilizing the playground equipment that was donated.

NeighborWorks Week will be the week of Memorial Day. There will be 3 days of work. Tim challenged those affiliated with a business/organization to have a team participate in this year's event. We also have a plan to do some work in the Cullman area.

ROMA training will be led by Laurie Lincoln-Swaim along with two other trainers after this board meeting. Training will also be held on Friday.

Tim will be meeting with representatives of BBVA next week in Birmingham to discuss community reinvestment dollars.

We are looking at serving the Decatur City Head Start meals through our Meals on Wheels kitchen next school year.

Tim shared that the agency is doing well. There will be some challenges that we will have this next year which are outlined in the report. We have several new board members and we will doing some additional board training. Tim encouraged all informed all that anytime you need to meet with him about anything please request that through him or Allison that he has an open door policy. If there is something that is not clear or you don't understand he encouraged all to ask. It is a big task to fight poverty and he appreciates the Board and all they do.

Executive Committee Report – 2019 Board Evaluation/CEO Evaluation

A copy of the 2019 Board Evaluation and CEO Self -Evaluation were sent electronically to all members and advisors prior to the meeting. Joe Holmes stated that the Executive Committee met in quorum to complete the board evaluation and CEO evaluation. The evaluation was reviewed and Joe highlighted those areas that the board needs to continue to improve on. He complimented the board on being engaged in meetings

and shared that we have made great strides in this but we need to continue to work on this. He encouraged involvement in the Strategic Planning process which will be in 2021.

The Executive Committee also completed Tim Thrasher's performance review. Joe shared that it was the Executive Committee's observation that Tim is leading the organization well and highlighted some of the accomplishments from Tim's Self-Evaluation. Tim Thrasher rated his overall performance as 3 (Meets Expectations) but Joe shared that it was the committee's recommendation that this should be a 4 (Exceeds Expectations).

The floor was opened for questions and/or discussion. Tim Littrell asked for a motion to approve the Executive Committee Report which included the 2019 Board Evaluation and CEO Evaluation as presented. Allen Stover motioned. Jennifer Taylor seconded. There being no further questions motion was approved.

Financial Report – January

The January financial statements were sent electronically to all members and advisors prior to the meeting. Lorrie Mauro stated that the Financial Committee meets on a monthly basis to review the reports in detail. The following reports were reviewed:

Financial Information Dashboards – The Current Ratio is 4.13 as compared to 2.0 prior year. Lorrie stated that the agency changed insurance providers so the January premium was paid in February. The Pay-off Ratio should be at 2 or above and is currently at 4.55. The second page is a year-to-date trending information. The Average Expenses Per Day is the only item that is trending below last year.

Balance Sheet – Consolidating Financial Position – This report highlights the different consolidated entities. The Current YTD Net Income is \$51,684.

Statement of Revenues and Expenditures – Summary/Detail – The current year actual total revenues are \$2,335,075.19 with total expenditures of \$2,283,391.62. Pages 10-12 are the detail of page 9.

Statement of Revenues - Public/Non-Public – The goal is to have more public funds. Lorrie stated that she did not book in-kind in January so that is why the In-Kind Donations are at 0%. Lorrie stated that it is her goal to book in-kind on a monthly basis instead of at the end of the year.

Statement of Activities – Expenditures – Combining Schedule of Activities w/Budget – This report provides a snapshot of each grant the agency administers. The Ending Net Assets reflects where each one is as of 1/31/2020. The Net Revenue over Expenditures (page 21) is \$51,683.57.

Statement of Revenues and Expenditures – Head Start 12 County Grant – Should be at 95% of the program year and is currently at 90.09% actual revenue and 90.09% actual expenditures.

Statement of Revenues and Expenditures – Early Head Start Madison/Limestone – Should be at 92% of the program year and is currently at 72.06% actual revenue and 72.06% actual expenditures.

Statement of Revenues and Expenditures – Head Start Madison/Limestone – Kim Dodd shared that this year had been a conservative year. Any funds that are remaining must be obligated by tomorrow. She reminded everyone that these grants were on an 18 month cycle which made it hard to budget. Should be at 92% of the program year and is currently at 76.67% actual revenue and 76.67% actual expenditures.

Statement of Revenues and Expenditures – Lauderdale County – Should be at 90% of the program year and is currently at 60.92% actual revenue and 60.92% actual expenditures. Lorrie noted that the revenue percentage includes the \$2.2 million received for building renovations which we will ask to carryover but the request cannot be made until we are awarded the next grant. Tim Thrasher shared that Kim and Aron Boldog are working with the architect for plans to see exactly how many classrooms this location will have based on required square footage per classroom. Kim stated that there will be 13 classrooms in the Lauderdale County area.

Statement of Revenues and Expenditures – Pre-K – Should be at 33% of the program year and is currently at 60.71% actual revenue and 28.60% actual expenditures.

Statement of Revenues and Expenditures – First Teacher – Home Visiting Grant – Should be at 33% of the program year and is currently at 25.92% actual revenue and 28.46% actual expenditures.

Statement of Revenues and Expenditures – DHR Expansion Program – This particular grant is where staff go into the homes of children and share parenting skills. Should be at 61% of the program year and is currently at 54.54% actual revenue and 54.54% actual expenditures.

Statement of Revenues and Expenditures – Medicaid Matching Funds Expansion Program – Should be at 61% of the program year and is currently at 52.55% actual revenue and 52.55% actual expenditures.

Statement of Revenues and Expenditures – DHR CCP – We partner with other entities for this particular grant. Should be at 58% of the program year and is currently at 47.52% actual revenue and 48.27% actual expenditures.

Statement of Revenues and Expenditures – USDA – Should be at 33% of the program year and is currently at 38.77% actual revenue and 32.79% actual expenditures.

Lorrie Mauro stated that the percentages are an easy way to look and see how each grant is performing. Tim Thrasher shared that we are going to plan some financial training in the future for the board to gain a better understanding of the reports.

Expenditure Journal – Credit Card Expenditures – The agency has the following credit cards: American Express, Home Depot, Wal-Mart and Wex Bank. Total expenditures for the month are \$13,524.36.

Posted General Ledger Transactions – First report is sorted by dollar amount and the second report is anyone who received more than one payment during the month.

The floor was opened for questions. Joe Holmes asked about the renewals on class reductions to which Kim Dodd stated they will approve the grant as is and then will discuss the reductions at a later time. Kim went on to explain that she wants to decrease classroom ratio due to their still being challenging behaviors. If the reduction is approved it will start with the new school year in August. The State is funding Pre K

and serving 4 year olds in general and we can serve 3 year olds which the state does not serve. The reduction request is from 18 to 15. Kim also shared that we will be giving up the home based program with the exception of the one we serve from the State. The plan is to take the home based slots and create a Pre-K classroom which is based on information from the Community Needs Assessment.

Sherry Pentecost asked about the expansion for the early services and how was the cost per child per week determined to which Kim Dodd responded that it was based on research on similar program in the area. She went on to say that we would like to partner with companies to fund a scholarship for a child(ren).

Tim Littrell asked for a motion to approve the financial report as presented. Joey Martin motioned. Pat Gilbert seconded. There being no further questions motion was approved.

Update Board Member/Officer Certification Form

Allison Speegle stated that it is a Daycare Licensing requirement that we have an updated form on each board member and advisor. A form had been placed at the tabletop and each person present was asked to sign and leave on table after the meeting.

Non-Federal Share In-Kind Waiver – Lauderdale County

Lorrie Mauro explained that anything Head Start grant that we apply for requires a 20% match. She went on to explain that with board approval we will be submitting an In-Kind Waiver as a result of the move that took place in Lauderdale County and the difficulty in getting the match with the current situation. Paul Lott asked if the Federal Government provides the 20% or is it out of the budget to which Lorrie Mauro responded that the \$2.2 million stays the same so it would be removed. The \$2.2 million is to build a building without any operations currently on since there are no families currently being served at this location. Anything we apply for we are required to have 20% match. It would be difficult to get the match for the Lauderdale county grant due to move. Kim Dodd stated that we were advised to submit an In-Kind Waiver request.

Tim Littrell asked for a motion to approve the submission of the Non-Federal Share In-Kind Waiver for Lauderdale County as presented. Jennifer Taylor motioned. Allen Stover seconded. There being no further discussion the motion was approved.

Approve Moulton Head Start Playground Purchase

Lorrie Mauro stated there is a federal regulation that requires any Head Start purchase over \$5,000 must be approved by the Board of Directors. She stated there is a need to purchase playground equipment for the Moulton Head Start center that will cost approximately \$27,000. Kim Dodd stated this will be multi-type jungle gym equipment.

Tim Littrell asked for a motion to approve the Moulton Head Start playground purchase. David Ware motioned. Sherry Pentecost seconded. There being no further questions the motion was approved.

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Approve Double Springs Head Start Playground Purchase

Lorrie Mauro stated the same regulations apply to the Double Springs playground purchase as above. This equipment will also cost approximately \$27,000.

Tim Littrell asked for a motion to approve the Double Springs Head Start playground purchase. Allen Stover motioned. Joey Martin seconded. There being no further questions the motion was approved.

Approve Purchase of ECHO Screeners

Kim Dodd stated that Head Start children receive vision and hearing screens on all children. The request to purchase ECHO screeners is due to the need to replace the ones currently being utilized by staff. Each ECHO screener cost approximately \$6,000 and are used for ear screenings. Request is to purchase 4 ECHO screeners.

Tim Littrell asked for a motion to approve the purchase of four ECHO screeners. Pat Gilbert motioned. Jennifer Taylor seconded. There being no further questions the motion was approved.

Approve Lease Agreement with Enterprise – 8 Vehicles

Lorrie Mauro stated that the agency currently leases vehicles from Enterprise and that we are requesting to approve a lease for 10 vehicles in place of the 8 which is listed on the agenda. Enterprise has provided several options, brands and incentives. We currently lease Equinox and Traverse and we recommend replacing with Hyundai Tucson, Santa Fe and facility trucks. Lorrie stated that the facility trucks currently in the fleet will be sold. Benita Owens asked if the agency leases all the vehicles in the fleet to which Lorrie responded that we own a couple of vehicles but the majority is leased. Some of the Meals on Wheels vans are leased but are on a different lease cycle. Joe Holmes asked if there was a breakdown of each vehicle for review to which Lorrie responded that she could get the information but did not have this information with her currently. Jonathan Watson stated that the Board should have a copy of the written lease. Tim Littrell asked when the lease is up for renewal to which Lorrie stated that today is the deadline to receive the discounts. Lorrie stated this would be a 2 year lease agreement including mileage with a 33,000 mile cap. Heather Smith asked if Tim Thrasher has the authority to enter into these agreements and Tim Littrell asked Lorrie if she could provide a copy of the lease to Jonathan Watson, Legal Counsel to review. Jonathan Watson stated that he can review the lease and analyze it from a legal standpoint but that the Board cannot delegate to him to make a business judgement but the Board can delegate Tim Thrasher to make business decisions. Jonathan stated this goes back to the Board's fiduciary responsibilities and that recommends the Board have an understanding of the material terms of the lease agreements. Sherry Pentecost asked the reason for leasing versus purchasing to which Lorrie responded that the wear and tear on the vehicles purchased in the past was an issue. Lorrie stated that we do have an agency policy that if a vehicle is available that no employee is to drive their personal vehicle and claim mileage reimbursement. She also stated that

when purchasing vehicles it must be written into the budget and that currently we have both leased and owned vehicles in the fleet.

Tim Littrell asked to table this item as a result of there being a considerable amount of hesitation since there was no cost associated with this request provided and that based on legal counsel we do not have the information in front of us to conduct our fiduciary requirement. Joe Holmes asked if this is something that could be delegated to the Financial Committee. Jonathan Watson stated that if Lorrie Mauro can provide him with a copy of the lease that he will review it before the end of this meeting. At this point in the meeting Lorrie retrieved the lease and provided it to Jonathan Watson. After reviewing the lease Jonathan Watson informed the board that based on his review of the lease that the motion based upon the apparent lease has previously been approved by a Board of Directors and executed by the former CEO and that this is actually a continuation to lease vehicles.

Lorrie Mauro provided the following term information:

2020 Hyundai Santa Fe SE, 3 year lease with a payment of \$449.00
2020 Hyundai Tucson SE, 5 year lease with a payment of \$608.00
2020 Ford F250, 4 year lease with a payment of \$808.00

The floor was opened for any additional comments. Tim Littrell asked for a motion to approve the continuation to lease vehicles through Enterprise. Allen Stover motioned. Joey Martin seconded. There being no further questions the motion was approved.

Purchase of Central Office Building Update with Resolution

A copy of the resolution and information sheet were sent electronically to all members and advisors prior to the meeting. Tim Thrasher stated that discussions have taken place with H.M. Nowlin and Terry Mount regarding the purchase of the central office building. This includes 18,000 square feet of enclosed space on 1.47 acres. We have been renting this building for \$12,500 per month and are currently on a month to month basis. An agreement has been reached of \$1.63 million which is based on the appraised value. A loan from NeighborWorks Capital has been secured for 90% of the appraised value instead of the 80% listed in the information. The lot in front of the building and space behind the building is owned by the agency. The warehouse next door is leased. Bruce Gordon stated that he would like to see the appraisal that was done by Terry Kaye. David Mathews stated that it is his opinion that this is the right thing to do for the agency and it also solidifies are relationship with NeighborWorks which has been critical over the years. Tim Thrasher stated the rent has been charged to each program and this would free up cash for more direct services.

New accounting for leases will have to be capitalized and he is wanting more than the appraised value. Tim Thrasher stated this rental has been charged to our programs and this frees up cash for more direct services. Children services will have an additional 100,000 years. The asked was for a 10 year mortgage with 30 year amortization at 5.85% interest. Discussion continued if there was a possibility of negotiating a better interest rate to which David Mathews with Bank Independent and Brent Breedlove with

Peoples Bank both stated this was a good interest rate. Jonathan Watson stated that the resolution authorizes Tim Thrasher to negotiate and pursue financing for purchasing the building.

Tim Littrell asked for a motion to approve moving forward with the purchase of the Central Office building as presented. Heather Smith motioned. Allen Stover seconded. There being no further questions the motion was approved.

Customer Satisfaction Survey

A copy of the Customer Satisfaction Survey results were sent electronically to all members and advisors prior to the meeting. Laurie Lincoln-Swaim gave an overview of the information. It was noted that Questions 7 (please share anything our staff does well in providing services) and Question 8 (how might we improve) that the number of individuals that did not answer these questions were higher than the number of individuals that did answer the questions. Laurie stated that some changes will be made and the dashboard will be refreshed. The updated form will be shared at the next Board meeting.

Tim Littrell opened the floor for questions on the Customer Satisfaction Survey as presented. There being no further questions he stated this is for information only and does not require approval.

Community Needs & Resource Assessment & Strategic Plan Timeline

Information on the CNRA and SP Timeline were sent electronically to all members and advisors prior to the meeting. Laurie Lincoln-Swaim gave an overview of the information and that the Community Needs and Resource Assessment (CNRA) is completed every three years and a lot of agency decisions are based on the community needs. The CNRA is compared to our mission statement to ensure we are meeting the mission of the agency. There is a glossary of terms that is a companion document to the CNRA and SP glossary that did not get included in the packet and will be sent out at separately. Laurie stressed that it is an Organizational Standard that we have Board/Advisor involvement in these processes. We will also have community and partner surveys that will be sent out to be completed. Laurie asked that if anyone is interested in assisting with this process to please let her or Allison know.

2020 Census Update

Alabama Counting on Residents to Complete Census flyer was sent to each board member and advisor prior to the meeting. Laurie Lincoln-Swaim stated that each Community Action Agency was asked to have one employee to be a part of weekly webinars for the census. The timeline for completing the census will be March 12 –April 27th. Laurie cautioned everyone they need to be aware that information about the census has been mailed out which looks like survey information but it is actually political surveys. She stated that once the information has been mailed and a 1-800 has been established this information will be passed along.

Laurie stated that Lawrence County does not have an ADECA grant to promote the census but that Heather Dyer has a meeting planned for March 10th. Cullman County was an ADECA grant recipient and Ashley Graves is the Complete Count contact. Decatur City was also an ADECA grant recipient and Matt Marquis is the lead contact.

April 1st has been designed as the day to wear red, white and blue to promote the census. John Bono with the UPS Store shared that his store is very involved in the census process and all the computers are being supplied by the UPS Store.

Tim Littrell opened the floor for questions. There being no further questions he stated that this information was for information purposes only and does not require approval.

Other Business

Tim Thrasher presented Joe Holmes with a gift for his leadership and service as the 2019 Board Chair. Tim thanked Joe for his service to the Board and guidance he has given and shared that he was true asset in the community and to this agency.

Tim Littrell opened the floor for any additional business. There being no further business Tim Littrell asked for a motion to adjourn. Joey Martin motioned. Allen Stover seconded. There being no further business the meeting adjourned at 10:39 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board.

Board Chair

Secretary

Tim Thrasher, CEO