

Community Action Partnership of North Alabama, Inc.
Board of Directors Meeting
May 27, 2021
Central Office

Benita Owens opened the meeting at 8:40 a.m. and welcomed those in attendance. Allen Stover gave the invocation. All recited the Pledge of Allegiance in honor of the upcoming Memorial Day holiday.

Members Present: Jami Jones, Benita Owens, Joe Holmes, Trae Norrell, Sandy Adams, Allen Stover

Members Electronically: David Ware, Teresa Presto, Jennifer Taylor, Brent Breedlove, Lori Eastman, Pat Gilbert, Brad Henderson

Members Absent: Brittany Ingram, Sherry Pentecost, Charles Owens, Joey Martin, Tim Littrell

Advisors Present: Pat Busing

Advisors Electronically: David Mathews, Paul Lott

Advisors Absent: Stephanie Pitts, Marcie Hill, Bruce Gordon, Cissy Pearson, Heather Smith

Legal Counsel to the Board: Jonathan Watson

Acknowledge Pat Gilbert, Public Sector Cullman County – Appointee of the Mayor’s Association

Benita Owens shared that Pat Gilbert was appointed by the Cullman Mayor’s Association replacing Dusty Baker. Pat has been serving as an Advisor to the Board.

Roll Call to Establish Quorum

Allison Speegle conducted roll call and a quorum was established.

Approve March 25, 2021 Minutes

A copy of the March 25, 2021 minutes were sent electronically to all members and advisors prior to the meeting. The floor was opened for any corrections. There being no corrections Benita Owens asked for a motion to approve the March 25, 2021 minutes as received. Allen Stover motioned. Joe Holmes seconded. There being no further questions motion was approved with roll call vote.

Approve Trae Norrell, Private Sector Cullman County Replacing Heather Smith

Tim Thrasher stated that Trae Norrell has been currently serving as an Advisor to the Board. This position was held previously by Heather Smith who completed her 5 year term of service and has moved to an Advisor role. Allison Speegle stated that we received a letter of recommendation from the Executive Pastor at Grace Chapel Church in Cullman. Benita Owens asked for a motion to approve Trae Norrell as the Private Sector for Cullman County. Joe Holmes motioned. Sandy Adams seconded. There being no further questions motion was approved with roll call vote.

Executive Director's Report

A copy of the Executive Director's Report was sent electronically to all members and advisors prior to the meeting. Tim Thrasher thanked Trae Norrell and Pat Gilbert for their service to serving on the board and welcomed the auditors, Steve Strickland, Emily Reichman and Ben Valiente.

Tim Thrasher gave a brief overview of the report and highlighted the following:

- This is a time in history that we can make a difference for families and we are positioned to do this at the agency. We have an excellent Board of Directors, Lead Team and each of you bring a specific expertise bring to the table. The Lead Team submit reports that are included in the Executive Directors report.
- Initial meetings to discuss the merging of Marion/Winston Community Action Agency and our agency have been had and a preliminary Merger Plan has been generated and is being reviewed by both agencies. The proposal includes a 24 member board, which will be our current board plus 3 selected from each new county. We will not change our agency name. Jonathan Watson has been instrumental in creating the Merger Plan and discussing with Matt Ladue, attorney for Marion/Winston agency. Cindy Anderson and her team will be planning a visit to review LIHEAP and CSBG processes. If all goes well this merger should be completed in July with board approval. Tim thanked Benita Owens, Joe Holmes and David Ware for serving on the merger committee.
- We are currently conducting focus groups and key informant interviews to finalize our Community Needs Resource Assessment which identified the top six needs throughout the areas served. This is the time we need to know what changes need to be made.
- Audit is being finalized. Tim stated that we have one of the strongest Financial Committees. This committee meets once a month and provides oversight, guidance and support.

- Housing Committee met this Tuesday. Members of this committee are: David Mathews, Paul Lott, Bruce Gordon, Allen Stover and Joey Martin. They provide expertise in reviewing and approving opportunities while analyzing the risk.
- With the passing of the American Rescue Act (\$1.9 trillion) we have an opportunity for additional funding from the Office of Head Start of approximately 2.0 M, approximately \$2.0 M from ADECA for LIHEAP services, as well as from the State of Alabama and local municipalities for rental assistance. This will provide good opportunities for housing, homeownership and financial capabilities.
- We have submitted 5 housing project applications over the course of the last two months that could possibly create approximately \$3.2 million in development fees.
- We have created a media production company (CAPVID) for both non-profits and for-profit to tell their story. Drone photos have been completed for Decatur Utilities. Also discussing projects for Habitat of Humanity and Mental Health Association. Holly Hicks has submitted a proposal to the National Community Partnership Annual meeting in August.
- We have been invited to participate in the application process by Regions Foundation and have received notification that we will be awarded \$65,000 to utilize in East Decatur for home preservation and revitalization.
- We are looking at making the agency a Trauma Informed Care agency. Rural health care is an issue currently and this will allow us to assist families and staff with resources or referrals. Agency currently has 15 staff that have obtained certification for infants in mental health.
- Wellness in the Workplace continues to assist staff in their overall health through fitness, nutrition and self-care.
- Head Start will have approximately 40 classrooms in operation this summer to improve readiness and provide opportunities for learning and growth for children and families.
- Currently working on re-vamping communication techniques. Some classroom visits have been made for input and recommendations. Holly Hicks and her team are working on tweaking our communications internally and externally.
- Continuing to work through our REDI program and using equity lens with what we do. The Lead Team is currently reading "The Third Option – Hope for a Racially Divided Nation.
- We provided a stipend to all full-time employees based on the amount of hours worked from March through March due to the pandemic. Received approval from our funding sources to do this. Stipends ranged from \$800-\$2,000.
- We weatherized 58 homes recently. Homes are still being built in Seville. We are looking for our next location to build more homes in Decatur. Allen Stover works very close with us on these projects.

Tim shared that board involvement is critical to this agency and this is why we are well positioned. He stated that if additional training or if there is something that is not clear to please let him know. He thanked the Board for supporting him and the Leaders of the agency.

Audit

A copy of the Schedule of Findings and Questioned Costs was sent electronically to all members and advisors prior to the meeting. Emily Reischman stated they are still working on completing a draft of pages 1-51 of the audit. The page provided a summary of the auditor's results. The Federal Awards portion of the audit is complete. Programs audited were: Head Start, LIHEAP and LIWAP. The compliance part of the audit is 95% complete. There were no reportable conditions or findings noted. Audit report will reflect an unmodified opinion. Emily complimented the agency and staff on a job well done.

Emily stated that the Schedule of Findings and Questioned Costs summarizes the other pages of the audit. The final report will be sent via email. Lorrie Mauro stated the draft is normally presented in June but due to timing of the board meetings that she was asking for approval today. Jonathan Watson asked for clarity on what approval was required today to which Lorrie responded that she is asking for approval as is with actual report to follow by email. Joe Holmes asked what the deadline for submission to NeighborWorks to which Lorrie stated end of June. Jonathan Watson stated he cannot advise the board to approve the audit with just this paper.

Jonathan Watson asked the auditors if there were any types of liabilities identified to which Emily stated there is always going to be one or two things off, especially with an agency of this size but there were no patterns. She also stated that the things noted were addressed immediately. Steve Strickland stated that we have just received the consolidated audits for some of the housing and that is what has held up the completion of the financial statements. Emily stated that testing consisted of several hundred vouchers. Joe Holmes thanked everyone for their efforts during these unprecedented times.

It was the decision of the Board to table approval of the audit. Allison will schedule a called Board meeting in June to approve the audit once it is complete.

Financial Reports – April

A copy of the financial reports were sent electronically to all members and advisors prior to the meeting.

Pat Busing, Financial Committee member stated the committee meets once a month to review the financial statements, ratios, cash flows, housing projects that are currently in progress and Head Start budgets. He stated the committee looks at expenditures for people that are being paid to reviewing the credit card charges. Pat stated that as a Board we have a tremendous responsibility and that he does not see Head Start as a building, but as families of having a dream of home ownership and being able to

provide for their families. Families want to be able to pay electric bills and they want a safe place for their children to go to school. We have a staff that wants to serve here at the agency. Pat encouraged board members to be involved and celebrate what we are doing for children and families, take it personally.

Lorrie Mauro provided the following financial report highlights:

Financial Information Dashboard

The Current Ratio is 1.79 as compared to 3.84 for the prior year. The Average Expenses Per Day are \$167,624.98 compared to 149,599.78 for the prior year. Lorrie noted there was a Pre-K refund where we relinquished the grant and expenditures for Glory Way that were not reimbursed which reflected in the Average Days Cash on Hand to go from 6.75 for the current year to 18.46 for the prior year.

Statement of Revenues and Expenditures – Head Start 14 County Grant

Lorrie stated there are now only two grants due to the consolidation. Budget for the 14 County grant is \$25,227,452.00. Should be at 16% of the total budget and is currently at 13.50% actual revenue and 13.50% actual expense.

Statement of Revenues and Expenditures – Lauderdale County Grant

This is a standalone grant. Budget for this grant is \$3,305,055.00. Should be at 16% of the total budget and is currently at 15.28% actual revenue and 15.28% actual expense.

Lorrie stated these are the only two Head Start grants that are required to be presented at the Board meetings.

Expenditure Journal – Credit Card Expenditures

The Credit card expenditures for the month are as follows:
American Express - \$9,498.04; Home Depot - \$5,787.20; Office Depot - \$108.40;
Walmart - \$4,469.37; Wex Bank - \$314.51. Total charges for the month were \$20,177.52

Posted General Ledger Transactions

Alabama Department of Early Childhood was a Pre-K refund. Paulk Construction, Inc. was a payment for Amanda Loop in Montgomery. Payment was made to Bob Morrow for work on Glory Way. Lorrie stated that she does not always book a receivable if we are not guaranteed the money will come back to the agency.

The floor was opened for questions. Benita Owens asked for a motion to approve the financial report as presented. Allen Stover motioned. Joe Holmes seconded. There being no further questions the motion was approved with roll call vote.

Federal Home Loan Bank Resolution

A copy of the FHLB Access documents including instructions, resolution, certificate of incumbency and access form for sponsor web system access were sent electronically to all members and advisors prior to the meeting. Aron Boldog stated that FHLB is a funding agency used to support the development of affordable housing. The bank has recently changed operating systems for the portal which provides us access to funding. The bank is now requiring that we have board approval to access the portal. Aron stated the resolution is giving approval for the agency to access the portal to report on funding received and to also apply for new funding. The resolution was drawn up by the FHLB. The Certificate of Incumbency authorizes Tim Thrasher to sign documents as the CEO. The Access form for Sponsor Web System Access allows for access to provide and obtain certain information related to applications or current projects.

The floor was opened for questions. Benita Owens asked for a motion to approve any and all necessary documentation including but not limited to all applications needed to access the portal. Joe Holmes motioned. Allen Stover seconded. There being no further questions motion was approved with roll call vote.

The Magnolia in South Carolina Resolution

A copy of the resolution was sent electronically to all members and advisors prior to the meeting. Aron Boldog stated the resolution was approving the Aiken CS project which was originally approved at the March Board of Directors meeting. The State of South Carolina requires specific language that was not in the original resolution. The following additions were noted:

Page 2 – Material Participation

This is the new language in the resolution that was not included in March. Aron explained that material participation means that CAPNA will be involved in the project and commit 500 hours annually to this particular project. Aron stated that we exceed the 500 hour requirement and are involved in all projects. The reason the State requires this is that some for-profit developers like to use a non-profit to score better and then end up not having the non-profit involved.

Page 3 – Deferred Development Fee

The State of South Carolina requires this specific language. Aron stated these tax credit deals typically has deferred developer fee with the owner putting in their money to help make the project work. Again Aron stated the Board approved this project in March but not with this particular language. Jonathan Watson asked how we became aware of the additional language to which Aron responded that it was written in the QAP and that he overlooked it originally. Jonathan Watson asked if there is a methodology to

document the required hours of work to which Aron responded that this specific language was also in the DuPont Landing project in 2018 and that as a team we identify which projects are worked on and how many hours and documentation through timesheets is proof.

The floor was opened for any additional questions. Benita Owens asked for a motion to approve The Magnolia in South Carolina Resolution as presented. Trae Norrell motioned. Jami Jones seconded. There being no further questions motion was approved with roll call vote.

Acquire/Rehab Daugette Towers in Gadsden, AL

Documents highlighting the project were sent electronically to all members and advisors prior to the meeting. Aron Boldog stated this is a 100 unit, 10 story building with a 2 story building beside it. There are 85 one bedroom units and 15 two bedroom units. This property recently became available for sale and the bid deadline was yesterday (5/26). The Housing Committee of the Board met and approved submitting a bid with contingencies based upon Board approval. Property is located in the downtown Gadsden in the historic district. The rents are guaranteed through the HAP program (Housing Assistance Program). The 2 bedroom rent is \$950.00 with the one bedroom being \$850.00. Aron stated that we would like to submit for a 4% bond deal mixed with historic tax credits and take the 4% tax credits and allocation of bonds to do a substantial rehab of \$40,000 per unit. Anticipate approximately \$1.8 million in developer fees. The cash flow is \$70,000 in year one and by year 15 it is anticipated to be \$150,000 which will build capacity for the agency. We submitted a bid for five million dollars and closing would be contingent upon HUD financing and allocation of bonds and tax credits. If we do not receive these additional funds then we will walk away from the deal. We would put up earnest money (refundable) in the amount of \$25,000 to do an onsite inspection within the first 45 days. Architect and environmental issues would be looked at as well as plumbing and electrical. An appraisal would be completed to support the five million dollar asking price.

Jami Jones asked if an on-site inspection has been made to which Aron stated that he has not made an inspection but this would occur within the first 45 days which is standard when purchasing commercial properties. Aron stated that we would also be checking for any major code upgrades and then make a determination of whether we can move forward on the project. The property currently has a pool which Aron stated would be backfilled to create a picnic area with tables and grills.

Sandy Adams asked how deep of an inspection is done to which Aron stated this would be a deep thorough inspection including but not limited to an environmental

assessment which would tell us if there was radon, lead based paint etc. The Fair Housing Consultant would also do an inspection to make sure we are in compliance with the Disabilities and Fair Housing Act. Tim Thrasher stated that HUD also monitors this project.

Jami Jones asked about number of elevators to which Aron stated there were two. He stated there is a code for this and if any upgrade is required that the cash flow from the project would help cover this type cost.

Tim Thrasher shared that we have discussed this project with Atkins Roberts and The Bennett Group to see if this was a viable project and both agree it is worth pursuing. Aron stated this building was built in 1929 and if there is any type of risk involved that we don't agree with we will walk away and that it must have a clean environmental and code inspection for us to move forward. It is currently fully leased up. Joe Holmes asked what would happen to those tenants during the rehab process to which Aron stated we would have to follow the Universal Relocation Act and move them. He stated that we are currently in the process of rehab projects now and that we our management companies are very skilled at handling these type of things.

Jonathan Watson asked how did we arrive at the five million dollar offer and how was the offer made to which Aron stated it was based on conversations with our tax attorney and the offer was typed on letterhead and sent to tax attorney to review. For clarification purposes Jonathan Watson asked Aron if he was asking the board to ratify the offer to which Aron responded he was. Jonathan Watson asked if the Board was provided a copy of the offer to which Aron stated that it was not included but that it was available to share. At this point in the meeting Nathan Curry emailed the document to those participating electronically and distributed to those in attendance.

Nathan emailed documents to all those electronically which states the purchase price is five million dollars with closing date of ten months from effective date of agreement. If an extension is requested we would pay a non-refundable fee of \$10,000. We are asking the seller to pay the broker from their proceeds and there will be very minimal closing cost and we will pay any legal fees we incur. Aron stated the minutes will be submitted for Board approval to which Jonathan Watson responded that the minutes will not approved until the July meeting and recommended adding a post hoc signature line to the letter that includes Board Chair and Board Secretary signatures. Letter was edited live with signature lines added.

The floor was opened for any additional questions. Benita Owens asked for a motion to approve the offer for Daugeette Towers in Gadsden, Alabama as presented. Joe Holmes motioned. Trae Norrell seconded. There being no further questions motion was approved with roll call vote.

Purchase of new Tractor/Trailer – \$23,272.00

A copy of the purchase order and bids were sent electronically to all members and advisors prior to the meeting. Lorrie Mauro stated that Board approval is required for any purchase over \$5,000. The tractor is needed for our northeast area which will allow our Facilities Team more time to work on what is needed and less travel time transporting the one that is at the Central Office. Funds for the tractor will be paid from Head Start. Joe Holmes asked the reason for not going with the lowest bid to which Lorrie responded that it is most likely due to being able to service the tractor within our service area.

The floor was opened for any additional questions. Benita Owens asked for a motion to approve the purchase of the new tractor/trailer in the amount of \$23,272.00. Allen Stover motioned. Joe Holmes seconded. There being no further questions motion was approved with roll call vote.

Submission of New Supplemental Application for FY 2021 American Rescue Plan Funding Increase

A copy of the Office of Head Start Application process was sent electronically to all members and advisors prior to the meeting. Applications were due May 18th. All Head Start, Early Head Start and Early Head Start Child Care Partnership grantees are eligible to receive additional funding proportionally based on funded enrollment levels.

The floor was opened for questions. Benita Owens stated this is for information purposes only and does not require Board approval.

Self-Assessment/Program Improvement Plan

A copy of the Self-Assessment and Program Improvement Plan were sent electronically to all members and advisors prior to the meeting. Jennifer Carroll presented and overview of the information and stated the goal is to ensure a high quality program by monitoring outcomes. Currently class goals are being assessed with a sampling of classrooms and in the upcoming checkpoint staff will complete assessments.

Self-Assessment

This is completed in quarterly checkpoints. Jennifer asked everyone to review the Program Strengths and noted the following: strong partnerships have been maintained with the dental and medical providers, DHR, WIC and focus first. Partnership was awarded the Trailblazer Award for the most endorsement for the year. Currently we have seven employees who have earned Mental Health Endorsements.

Health and Safety information is a new category this year. 120 classrooms were or will be assessed by the Center Directors during the Self-Assessment process. The Health and Safety Checklist is made up of 19 key health and safety items. The areas of non-compliance included: wall coverage being in a sporadic pattern, materials in good

repair, walls are in good repair (no chipping paint or holes), playground and fence in good repair. Word orders and purchase orders have been submitted to correct these items. 57% of the classrooms were 100% compliant, 26% were 99-90% compliant, 16% were 89-90% compliant and 1% that fell in the 79-0%. Overall the program did well.

Program Improvement Plans

Jennifer Carroll reviewed the information. The program goals are to ensure high quality learning environments, increase child participation in program through attendance, engage parents in their child's learning and support overall wellness of children by providing health and nutrition education. Each program goal includes target (SMART Goals), data analysis and next steps.

The floor was opened for questions. Benita Owens stated this is for information purposes only and does not require Board approval.

Risk Assessment

A summary of the Risk Assessment was sent electronically to all members and advisors prior to the meeting. Laurie Lincoln-Swaim stated the last assessment was in completed in 2019. The Lead Team completed this assessment on April 20, 2021. The cover sheet is a summary with all the categories with the following pages providing the exact risk management recommendation basics. Laurie stated that in comparing 2019 to 2021 that some things have changed and evolved especially coming out of COVID. The assessment tool is provided by the National Community Action Partnership and matches our programs and types of risks we have. In 2019 we had 10 potential risk compared to 7 potential risk for this year. The last page of the report reflects the potential risk areas, recommendations and potential improvements which include technology and privacy risk management, transportation and volunteer risk management. Laurie stated that if anyone would like a copy of the 2019 executive summary for comparison to please contact Allison.

Benita Owens asked about the passwords for technology to which Nathan Curry stated this is a moving target. He stated that we generally require strong passwords. We do not currently have a policy requiring changing passwords but do have authentication services and feels we are more secure with the processes we currently have in place. We currently do text message or phone call verification.

Tim Thrasher shared the Lead Team met for four hours to complete assessment and then we analyze the risks for our agency and decide what, if any changes need to be made.


The floor was opened for any additional questions. Benita Owens asked for a motion to approve the Risk Assessment as presented. Allen Stover motioned. Sandy Adams seconded. There being no further questions the motion was approved with roll call vote.

Other Business

Laurie Lincoln-Swaim discussed the Community Needs Resource Assessment and stated that we are required to have board engagement and involvement. She stated that she will be sending out a poll for key informant interviews. The interview process will take approximately one hour during which the top six needs will be reviewed and recommendations made. Meetings will be held electronically. She also asked if anyone that works in a venue or has a church committee or group that would be willing to be a part of a focus group that we still have 7 sectors available. Laurie stated she will be sending out an email with more details.

Benita Owens opened the floor for any additional business. There being no further business the meeting adjourned at 10:34 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board of Directors.


Benita Owens, Chair


Brent Breedlove, Secretary


Tim Thrasher, CEO