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Community Action Partnership of North Alabama, Inc.
Board of Directors Meeting
September 30, 2021

Benita Owens opened the meeting at 8:31 a.m. and welcomed those in attendance. David Ware gave the invocation. Benita Owens recited the mission statement and reminded everyone that we are here for a cause and purpose.

Members Present: Jami Jones, David Ware, Benita Owens, Brent Breedlove, Trae Norrell, Sandy Adams, Allen Stover, Pat Gilbert

Members Electronically: Teresa Presto, Lori Eastman, Brad Henderson

Members Absent: Brittany Ingram, Sherry Pentecost, Jennifer Taylor, Joe Holmes, Charles Owens, Joey Martin, Tim Littrell

Advisors Present: Paul Lott, Pat Busing

Advisors Electronically: Cissy Pearson

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

Legal Counsel to the Board: Jonathan Watson

Roll Call to Establish Quorum

Allison Speegle conducted roll call and quorum was established.

Approve July 29, 2021 Minutes

A copy of the July 29, 2021 minutes was 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 July 29, 2021 minutes as received. Allen Stover motioned. Brent Breedlove seconded. There being no further questions motion was approved with roll call vote.

Our Mission

Community Action Partnership of North Alabama is a results-driven, non-profit business committed to reducing or eliminating the causes and consequences of poverty for families and communities in need through comprehensive services and strategic partnerships.

Executive Directors Report

A copy of the Executive Directors Report was sent electronically to all members and advisors prior to the meeting. Tim Thrasher stated that due to the length of the agenda and time he asked everyone to please read the report in full. The following were highlighted:

Tim asked everyone to please read the letter from Benita Owens that references the National Conference that she and Pat Busing attended recently.

Tim thanked the Board members and advisors that attended the Open Houses in Cullman and Florence recently.

Tim shared the agency is facing the following challenges and asked for the Board's support and guidance: (1) The potential for a government shutdown (2) the mandate for vaccinations for organizations over 100 employees and those with federal funding and sub-grantee funding (3) the need for a quality workforce and the limited pool of willing quality workers.

In reference to the potential vaccine mandate Tim stated this has been discussed with the Lead Team and that according to State Law we are limited in the information our employees can provide. Tim stated this a real challenge and has become political. Our plan is to make our decision once the official ruling has been made.

Tim stated there will be a vote today on the government shutdown and that his first year at the agency there was a partial shutdown. The debt ceiling limit vote outcome could affect future resources. He stated that preliminary plans have been made to draw down funds to cover payroll in the event of a government shutdown.

The Marion Winston County Board of Directors approved the merger agreement with minimal change. If approved at our board meeting today it will make our board composition Morgan, Lawrence, Cullman, Winston and Marion Counties. This is a very successful win for the agency.

For the first time in the history of the agency we have been awarded three real estate development projects in Alabama in the same year which includes two acquisition rehabilitation projects in Oneonta and Troy and a new development in Phenix City.

Tim stated that he had attended several conferences recently including Georgia, NCAP, FAHE and Georgia Housing Authority.

CAPNA is currently working on producing some training videos. Tim stated that during the recent all staff In-Service that several video and live presentations were made for our staff.

Tim stated the Lead Team has been tremendous during this pandemic time and that performance has been exceptional.

Benita Owens shared that she and Pat Busing recently attended the National Conference. She encouraged others to attend conferences if their schedule permits that it will provide a larger overview of Community Action agencies.

Approve 3 Member Nomination Committee to Present Slate of Officers for 2022

Benita Owens opened the floor for three volunteers to serve on the Nomination Committee. Allison Speegle will schedule the meeting. David Ware, Paul Lott and Benita Owens volunteered. There being no further volunteers Benita Owens asked for a motion to approve this three-member Nomination Committee to present a slate of officers to serve for 2022 at the October 28th Board meeting. Allen Stover motioned. Pat Gilbert seconded. There being no further questions motion was approved with roll call vote.

Approve Marion/Winston CAA Merger

A copy of the resolution and merger agreement was sent electronically to all members and advisors prior to the meeting. Tim Thrasher stated that the State Association approached our agency about a year ago and asked if we would consider merging with Marion/Winston. The Marion Winston Counties Board of Directors met on 9/18 and voted to merge with our agency. Jonathan Watson created the revised agreement after the 9/18 meeting included in the Board packet. Tim stated that Cindy Anderson and her staff had training this week with the current staff. Most of the staff are currently part-time and will have a 90 day probationary period. Benefits will not start until after they become full-time employees.

In reference to Section 1.5 of the agreement - we will conduct the same services as we both currently provide to the area to which Tim explained they are protecting their services as well as the services we provide. Paul Lott asked about the food assistance program they operate to which Tim responded that they work with two different organizations in Winston County and they also have a trailer they use one day a month to distribute items to LIHEAP clients. They also have volunteers that assist with this food distribution program.

Currently Marion Winston CAA has offices in Double Springs, Hamilton and Haleyville and there is no rent on these buildings. Tim stated that it is our intention to pay off the \$10,580.63 debt, once the merger is complete. The debt is due to previous unallowable costs, which are owed to ADECA.

Jonathan Watson stated that he drafted the plan of merger and explained that at today's meeting we will ask for a vote to approve the resolution that is attached and this will authorize the necessary officers to execute the plan of merger on behalf of CAPNA and any other necessary documents needed for the State. The Board of

Directors is basically saying we are approving this and any necessary documents to effect the merger.

Tim Thrasher stated they have chosen six board members, appointed from all three sectors, to serve on our board. Jeff Fleming, the current CEO will continue and assist with the LIHEAP in-take process. Pat Busing asked if there was any requirement to add Advisors from that area to which Tim responded that they do not currently have Advisors, but that Advisors in these counties could be added in the future.

David Ware, who recently attended one of their board meetings stated that they are passionate about serving communities and it is his opinion that it will good for their organization. Tim Thrasher stated they are excited about the merger and it will allow for consolidation of services such as HR, IT and Fiscal and allow other services in those counties. The State Association approached us about merging these two counties into our CAP footprint. Benita thanked David Ware for attending one of the board meetings.

The floor was opened for any additional questions. Paul Lott asked about the change in 1.5 and does this obligate us to continue these services to which Jonathan Watson stated that it does. Jonathan stated that originally there was no language about subject to program funding and availability so he added this statement to protect the agency and provide an out if needed. Tim Thrasher stated that the Community Needs Assessment dictates what services are needed as well.

Benita Owens asked for a motion to approve the resolution and plan of merger with the Marion Winston Community Action Agency. David Ware motioned. Brent Breedlove seconded. There being no further questions motion approved with roll call vote.

Approve General Fund Budget and Resolution

A copy of the budget and resolution were sent electronically to all members and advisors prior to the meeting. Lorrie Mauro, CFO stated this is a requirement of the State. These funds assist in supporting our Housing Counseling which is a full-time person and this will fund half of the salary and the remaining salary will be funded from the HUD Grant. Lorrie reviewed the budget and stated that this an increase of approximately \$4,000 from last year. The resolution is a general resolution that stated the board has approved the use of the General Funds to support the programs, activities or functions indicated on the Projected Annual Report.

The floor was opened for questions. Benita Owens asked for a motion to approve the General Fund Budget and Resolution. Allen Stover motioned. Jamie Jones seconded. There being no further questions motion approved with roll call vote.

Approve Revisions to Financial Policies & Procedures

A copy of the Financial Policies & Procedures with marked changes was sent electronically to all members and advisors prior to the meeting. Lorrie Mauro stated that it is an Organizational Standard that these policies are reviewed, updated as needed and has Board of Director approval every three years. Lorrie thanked Magen Claborn for her work on this. Lorrie stated they looked for language that was outdated and procedures that had been updated since the last review and that processes that are currently in place must be reflected in the Financial Policies and Procedures.

The floor was opened for questions. Benita Owens asked for a motion to approve the revisions to the Financial Policies and Procedures. Pat Gilbert motioned. Sandy Adams seconded. There being no further questions motion approved with roll call vote.

Financial Reports

A copy of the August financial reports were sent electronically to all members and advisors prior to the meeting. Benita Owens stated the Financial Committee met on September 22nd. Pat Busing, committee member, provided the following report. Pat stated the committee reviews the financial reports in depth which provides an understanding of the overall position of the agency and how this agency touches so many lives. He stated the committee reviews the cash flow, ratio charts, balance sheet, individual grants report and payables. Aron Boldog also provides an update on housing. Pat encouraged any member or advisor to attend any of the financial meetings, either virtual or in person.

Lorrie Mauro, CFO highlighted the following reports:

Statement of Revenues and Expenditures – Head Start – 14 County Grant

Lorrie stated that we still have in-kind waivers this year however staff are trying to collect as much as possible. The total budget for this grant is \$25,506,593.00. This grant should be at 50% of the total budget and is currently at 33.96% actual revenue and 33.90% actual expense with 10.91% in-kind.

Statement of Revenues and Expenditures – Lauderdale County Grant

Total budget for this grant is \$3,240,234.00. This grant should be at 50% of the total budget and is currently 38.86% actual revenue and 38.86% actual expense with 6.31% in-kind.

Statement of Revenues and Expenditures – CRRSA-COVID 19 Grant

This is a two-year grant with a total budget of \$2,479,809.00. This grant should be at 30% of the total grant is currently at 26.88% actual revenue and 26.88% actual expense.

The other grants, Pre-K, First Teacher, DHR, Medicaid Matching Fund Expansion Program and Early Head Start DHR are additional grants that complement the Head Start grants. Lorrie stated that we have an extra \$775,000 of Pre-K funds which are used to support 15 Head Start classrooms.

Expenditure Journal – Credit Card Expenditures

The charges for the month of August are as follows: American Express - \$1,650.70; Home Depot - \$2,553.92; Office Depot - \$99.80; Wex Bank - \$4,138.06. Total charges for the month were \$7,442.48. Lorrie pointed out that Walmart, which is now reported as Capital One, is not listed on this report due to the timing of the billing cycle.

The floor was opened for questions. David Ware asked if we were seeing any increases with in-kind to which Kim Dodd, Head Start Director stated there were some increases and that Jennifer Carroll has done training with the Center Directors to help them understand what each classroom needs. Paul Lott stated that Lorrie and the Financial Committee have done an excellent job in cleaning up the financial reports to which Lorrie credited Magen for this. Tim Thrasher stated that Lorrie and her team do an excellent job.

Benita Owens asked for a motion to approve the Financial Reports. Brent Breedlove motioned. Trae Norrell seconded. There being no further questions motion approved with roll call vote.

Form 990

A copy of the Form 990 was sent electronically to all members and advisors prior to the meeting. Lorrie Mauro stated the 990 is posted on our website and is part of our compliance. She explained the reason for the delay is that we were waiting on some of the K-1 reports from the apartment complexes.

The floor was opened for questions. Paul Lott asked if we filed an extension for November 15th to which Lorrie stated an extension had been filed.

Benita Owens stated this is for information purposes only and does not require board approval.

Resolution for Village at Hixon Pond II

A copy of the resolution was sent electronically to all members and advisors prior to the meeting. Aron Boldog stated this a new construction tax credit award from AHFA for a 56-unit development in Ft. Payne. The resolution is approving a construction loan from Bank Independent for up to \$9.3 million dollars that we will only be charged interest on what is drawn down. Aron stated that we do not anticipate needing this much money but wanted to allow for anything that might arise during the construction process that was not accounted for. Jonathan Watson stated that he had reviewed the resolution

and that it is authorizing Tim Thrasher to sign documents to obtain the loan. Aron stated this resolution is required by the investor and construction lenders.

The floor was opened for questions. Paul Lott stated that the Housing Committee had met, discussed and approved this.

Benita Owens asked for a motion to approve the resolution for Village at Hixon Pond II. Allen Stover motioned. David Ware seconded. There being no further questions motion approved with roll call vote.

Resolution for Authorization to Sell The Springs Apartments in Millbrook, Alabama

A copy of the resolution was sent electronically to all members and advisors prior to the meeting. Aron Boldog stated the resolution is authorizing the agency to sell The Springs Apartments which is a 24-unit senior property located in Millbrook, Alabama for \$1,440,000.00. This property has performed well but the cash flow has been very little. Aron stated that he was approached by Astra Equity about this property. There is zero debt on this property and we would gain approximately \$700,000 with the sale of this property. The market is currently at an all-time high and this would equal out to \$60,000 per unit. Aron stated that he has ran some comparable numbers and a 56 unit in Decatur sold at \$31,000 per unit, one in Prattville sold at \$45,500 per unit and a second property in Prattville sold at \$32,000 per unit.

Aron stated that after reviewing the numbers and the need to hire additional staff since this unit is growing at such a high rate that this would allow him to hire a full-time person for his department and also an additional person to work with Venessa Leffers on the asset management side. Based on the calculations Aron anticipates sustaining these positions for at least the next five years.

The floor was opened for questions. Paul Lott asked what the annualized cash flow was to which Lorrie Mauro responded that she did not have an exact number but the last time she looked it was very small. Tim Thrasher stated this is a small complex with 24 residents and there has been discussions about building in this area at a later time and even if this property is converted to market rate it would take two years so the tenants would not be displaced immediately. Aron Boldog stated that our plan is to re-enter the Millbrook area. Pat Busing asked the cost of building a new unit to which Aron responded that new construction is running approximately \$160,000 a unit. Jonathan Watson asked if the investor has 1031 money which allows you to avoid paying gains taxes when you reinvest the proceeds from a sale within a certain time limit to which Aron responded they did.

Benita Owens asked for a motion to approve the Resolution to Sell The Springs Apartments in Millbrook, Alabama. Pat Gilbert motioned. Allen Stover seconded. There being no further questions motion approved with roll call vote.

Resolution to Acquire OCAP Properties

A copy of the resolution was sent electronically to all members and advisors prior to the meeting. Aron stated that OCAP is a Community Action Agency located in Troy, Alabama and the agency is looking to get out of the housing industry and we have been contacted to see if we would be interested in purchasing these properties. The Bennett Group is also a partner in some of these projects. This acquisition consists of three properties for a collective price of up to \$100,000.00. The properties include: (1) Grady's Walk in Dothan, Alabama which is 56-unit senior property built in 2009 (2) Woodmere Apartments in Evergreen, Alabama was placed in service in 1998 and is 97% occupied. and (3) The Veranda Apartments which is a 42 unit property, 100% occupied, in Troy, Alabama.

Aron stated we are working with NeighborWorks to increase our portfolio and this purchase would double what we currently have. These are tax credit properties managed by Hollyhand Company. Aron stated that he and Tim had discussed this with Justin Heberling, Accountant and that the General Partner interest in these properties is worth around \$100,000. It is our intention to rehab these properties when they become available for rehab.

The floor was opened for questions. Tim Thrasher stated that David Turner, General Contractor went with him and Aron to visit properties and Tim and Aron had also consulted with Lorrie Mauro and Venessa Leffers on this as well. Jonathan Watson stated that he is comfortable with it from a legal stand point. Allen Stover stated the Housing Committee did review this. Jonathan Watson stated this resolution only applies to acquiring the properties and that when the properties become eligible for rehab then that would come before the board at a later date.

Benita Owens asked for a motion to approve the resolution to acquire the OCAP properties. Brent Breedlove motioned. Trae Norrell seconded. There being no further questions motion approved with roll call vote.

Resolution for Authorization to Refinance The Oaks

A copy of the resolution was sent electronically to all members and advisors prior to the meeting. Aron Boldog stated this property is located in Oneonta, Alabama. A loan in the original principal amount of \$1,032,000.00 for this property was obtained through Community Housing Capital in 2016 for the purpose of paying off home loan through the State and paying out deferred developer fees. The loan was for three years and is now due and we are asking approval to extend the loan for an additional three years and convert the original loan from an interest-only loan to a loan requiring monthly

principal and interest payments. Aron stated that once we close on the tax credit equity this loan will be paid off.

The floor was opened for questions. Jonathan Watson asked the terms of the new loan to which Aron stated that we will be able to pay off the loan since this project has been awarded for rehab in 2021 cycle.

Benita Owens asked for a motion to approve the resolution for authorization to refinance The Oaks. Allen Stover motioned. Jami Jones seconded. There being no further questions motion approved with roll call vote.

Elect Board Member to Serve on Head Start Policy Council

Benita Owens opened the floor for someone to serve as the Board representative to serve on the Head Start Policy Council. Paul Lott volunteered but stated this will be the last year he will be eligible to serve. There being no further volunteers Benita Owens asked for a motion to approve Paul Lott to serve as Board representative on the Head Start Policy Council. David Ware motioned. Sandy Adams seconded. There being no further questions motion approved with roll call vote.

Community Needs Assessment

A copy of the Community Needs Assessment was sent electronically to all members and advisors prior to the meeting. Holly Hicks, Director of Communications, Marketing and Compliance stated the link included the full document and for those attending in person the notebooks include the summary. Holly stated the CNRA was produced in house which was a cost savings to the agency of approximately \$30,000. This document will guide our strategic planning process. It is an organizational standard that this must be completed every three years. The Executive Summary provides a general overview of the process. Due to COVID, the methods for surveying and interviewing had to be adjusted by not only using an electronic-only survey but also virtual meeting platforms for Key Informant interviews and Focus Groups. Holly thanked the Board/Advisors on behalf of Laurie Lincoln-Swaim for their participation in this process.

The top six needs identified for the 17-county service area are the same as 2018 but in a different order and they are: utility costs, healthcare, food/hunger prevention, housing/home repair, childcare (infants/toddlers/preschoolers) and jobs/job training. Holly stated that not every county answered the same but the percentage identified the needs. The Strategic Planning process will begin in January.

The floor was opened for questions. Benita Owens asked for a motion to accept the Community Needs Assessment. Trae Norrell motioned. Pat Gilbert seconded. There being no further questions motion approved with roll call vote.

Approve CSBG Workplan

A copy of the workplan was sent electronically to all members and advisors prior to the meeting. Cindy Anderson, Director of Community Services stated this is a yearly requirement of ADECA. This year we will receive level funding totaling \$738,629 which will include our newly acquired Marion and Winston counties which added an additional \$182,272. The workplan outlines how we will spend these funds. Any programs supported with CSBG funds must document that recipients are below 200% of the federal poverty guidelines. An example of this would be: 1 person in the household that receives \$2,147/month or \$25,760 yearly.

Funds must be used to support one or more categories that are designated by CSBG such as: (1) employment (2) education and cognitive development (3) income, infrastructure and asset building (4) housing (5) health and social/behavioral development (6) civic engagement (7) services supporting multiple domains (8) linkages (partnership that support multiple domains) (9) agency capacity building (community assessment, strategic planning, data management and reporting) and (10) other (emergency management/disaster relief).

The funds we receive are specific to Community Action agencies. We have the flexibility to use these funds to provide direct services such as meals through Meals on Wheels, paying staff salaries or home energy conservation. It also allows the agency to act as a "grantor" and partner with other community agencies. This allows us to maximize our dollars, minimize overhead cost, serve more clients and provide better outcomes.

With the addition of our two new counties, the additional LIHEAP CARES funds, rent and mortgage funds, the American Rescue Plan supplemental funds and Water Assistance funds we will be receiving, the majority of the CSBG funds will be used to support staff salaries for those programs that implement these services. We are asking staff to do more so we are adding days to our existing staff. Cindy stated that the Community Needs Assessment identifies the top six needs and from that we look at how we can prop up these programs. As a result, \$82,000 will be invested to provide direct services through the following programs/partners:

\$70,000 will be utilized in our Weatherization Department to implement the Safety-First Program to address health and safety measures in homes that the agency is weatherizing.

We will continue to partner with Decatur Youth Services to engage thirty youth (25 in Decatur City and 5 in Lawrence County) in summer employment and training experiences for six weeks.

The remaining 16% will be used for general overhead such as facilities (rent, utilities and maintenance), communication (telephones), supplies (office, postage), insurance, printing and IT.

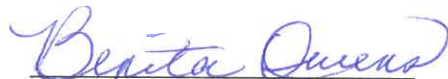
The floor was opened for questions. Benita Owens asked how the funding compared to the previous year to which Cindy stated we actually received level funding and that the increase is from Marion/Winston counties.

Benita Owens asked for a motion to approve the CSBG Workplan. Trae Norrell motioned. Brent Breedlove seconded. There being no further questions motion approved with roll call vote.

Other Business

The floor was opened for any additional business to come before the board. There being no further business Board Chair Benita Owens thanked everyone for their attendance and participation in today's meeting. She ended the meeting by asking everyone to go out and make a difference in someone's life today.

The meeting adjourned at 10:15 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board of Directors.


Benita Owens, Board Chair


Brent Breedlove, Secretary


Tim Thrasher, CEO