THREE RIVERS COMMUNITY ACTION, INC.
Board of Director's Meeting Minutes
Wednesday, August 21, 2019
Three Rivers Community Action, Inc.
Hiawathaland Public Transit Conference Room
55049 241st Avenue, Plainview, MN 55964
9:00 to 10:15

Members Participating: Meredith Erickson, Ruth Boudet, Mark Thein, Abdullah Hared, Brian Gohl, Erick Maki, Heather Robins, Galen Malecha

Staff Attending:
Jennifer Larson, Executive Director
Kindra Papenfus, Chief Financial Officer
Jane Adams Barber, Head Start Director
Tracy Holguin, Transportation Director
Leah Hall, Community Development Director
Vicki McKay, Human Resources Director
Donna Stamschror, Administrative Support Manager

Members Excused: Jo Anne Krier, Dave Windhorst, Jodi Johnson, Julie Steberg, Barney Nesseth

Call to Order: Meeting was called to order at 9:00 am by Chair Galen Malecha

Determination of a Quorum – Quorum was met

*Approval of the June 19, 2019 Meeting Minutes

Mark Thein made a motion to approve the June 19, 2019 meeting minutes, Ruth Boudet seconded, motion unanimously approved.

*Approval of the August 21, 2019 Agenda

Mark Thein made a motion to approve the August 21, 2019 agenda with the removal of Individual Action Item C - 403B Audit, and add Individual Action Item K - CoC Governance Charter, Meredith Erickson seconded, motion unanimously approved.

Case of the Month

Tracy Holguin presented the case of the month about the bus driver hiring process. It begins with interviews and screening, followed by making a contingent offer to the best candidates. Tracy shared with the board the guidelines for driving record offenses and criminal background offenses. The
three stages to orientation are: policy training, classroom training, and behind the wheel. We have Perry on staff who can test and certify for a commercial driver’s license. Drivers are monitored and coached for 90 days during the probation period. All drivers are observed on-route quarterly by a member of the management team to ensure policies are being followed and safe transportation is provided.

**Director’s Report**

Jenny sent out the following update in an email to the board in July. It was distributed to the board for inclusion in the minutes.

**Housing meetings.** Housing continues as a hot topic across the region. Our staff are participating in several high profile housing meetings this month:

- **Workforce Housing Summit in Faribault on June 20** — Leah Hall participated on a panel with local employers to talk about how housing shortages are affecting businesses in Rice County.
- **Mayor’s Task Force on Homelessness in Rochester on July 10.** The city is continuing to work on plans to address homelessness in Rochester, and has hired a consultant to facilitate a plan. Three Rivers will continue to be actively involved in these efforts.
- **Representative Angie Craig’s staff held a meeting to talk about housing in Northfield on July 15.** Rep. Craig serves on the Ag Committee, so she is particularly interested in USDA Rural Development housing programs.
- **Senator Tina Smith’s staff is holding a housing listening session in Faribault on July 30 at the Faribault Education Center from 3:00 – 4:30 pm.** The Senator’s staff asked Three Rivers to help co-host this event. We encourage anyone interested to attend.
- **Governor Walz is attending the regional Continuum of Care meeting in Mankato on July 18 to help our 20-county region celebrate that we have no longer have homeless veterans in southeastern Minnesota.**

**New partnership with McDonald’s.** As part of a local promotion, the local McDonald’s in Zumbrota is donating 50 cents from every combo meal sold to Three Rivers on Friday, July 19. If you are in the area on July 19, stop for a meal!

**Building Updates**

Plainview Transit building is very close to complete. We are waiting for interior doors that are on backorder, as well as final IT and furniture installation. We look forward to showing the Board the building at our August board meeting.

Zumbrota: The vet clinic building is being tested this week for asbestos so that we can move forward with disposal of the building. We have not had much luck in finding a vendor to purchase or take the building, so it is likely that we will need to plan for demolition. We will be convening the building committee in the next few weeks to discuss next steps and a timeline.

**Rochester Parking Ramp Project.** Three Rivers responded to an RFP (Request for Proposal) for a developer from the City of Rochester to put affordable housing
on top of the new parking ramp downtown. We were just informed that we were not selected to be the developer partner on this project. We are working on getting more information from the City and will update you in August.

**Minnesota Community Action Association (MinnCAP) update.** MinnCAP is our state association of community action agencies. Arnie Anderson, the longtime executive director, is retiring in August. The MinnCAP board has hired Bill Grant as the incoming director. Bill was previously an assistant commissioner in the MN Department of Commerce, focusing on energy programs. He starts in August. Next week, several of our staff will be attending the annual MinnCAP training conference in Duluth.

**MN Council of Nonprofits Conference is coming to Rochester.** The annual [MCN training conference](#) is coming to Rochester on October 24-25. This is great training opportunity, and if any board member would like to attend on behalf of Three Rivers, please let Donna know and we will register you.

**August 21, 2019 Director’s Report** – Jenny presented the August director’s report.

**Veteran’s Homelessness** - Governor Tim Walz attended our regional Continuum of Care (CoC) meeting on July 18, 2019 to celebrate that our 20-county region had ended homelessness for veterans. The River Valleys CoC is comprised of over 75 agencies who are committed to ending homelessness. Three Rivers hosts the CoC for the region, and Jennifer Prins is the CoC Coordinator. Jennifer joined the Governor, Veteran’s Affairs Commission, and Housing Commissioner on a panel at the event.

**Congresswoman Angie Craig** – Rep. Craig visited the Plainview office on August 9, 2019. As a member of the transportation committee in Congress, she is interested in how public transportation meets the needs in her district, and wanted to know what the gaps were. We also discussed the overall work of Three Rivers, and she thanked us for the work that we do. On Friday, August 23, 2019, Rep. Craig is hosting a follow-up meeting in Red Wing. Tracy Holguin and Jenny are attending.

**Annual Report** – The Annual Report is now available, featuring stories from across our programs and throughout our four county region. We have also developed county-specific sheets that describe in detail the programs and services we provide in each county. You can find the report and county sheets on our website.

**Fall Programs** – Head Start and Energy Assistance staff return this month after being off for the summer. Head Start classrooms are filling now, with classes starting September 3, 2019. The Energy Assistance application will be available in September, with funds available in October.

**Policy Action Items**

**Consent Agenda**

**Consent Agenda Items**
- June & July 2019 Financial Reports
- Mutual of America – June & July Statement
- June & July 2019 Head Start Credit Card Expenses Summary – Shared at Meeting

**Contracts, Awards & Contributions**

**Received**
- Minnesota Department of Human Services - $51,999 - SNAP outreach and application assistance renewal
- People's Energy Cooperative Trust - $3,416.59 - Request for funds to purchase furniture for new Plainview facility
- Minnesota Department of Human Services - $1,094,154 - Renewal of two year Community Action Block Grant and MN Community Action Grants - Flexible funding to provide a variety of programs in our four county service area
- Minnesota Housing Finance Agency - $91,600 - Grant funds to provide financial empowerment coaching as part of Three Rivers' Achieve Homeownership program

**Not Received**
- None

**Grants & Requests Submitted or to be Submitted**
- Goodhue County Family Service Collaborative - $5,000 - Funds to prevent or end homelessness for families with young children in Goodhue County
- Minnesota Department of Transportation - Amount TBD - Route Expansion for 2020 - Faribault Saturdays noon-5:00 pm, weekday Faribault/Northfield route
- Minnesota Department of Transportation - Amount TBD - Capital Request for 4 Replacement Buses for 2020
- Minnesota Department of Transportation - Amount TBD - Dispatch Software replacement for 2020
- Minnesota Department of Transportation - Amount TBD - Personal Computer Hardware for Transportation Staff
- Enterprise Community Partners - $40,000 - For staff time dedicated to the proposed Ridgely Park Apartments project.

**Monitoring Reports & Responses**

**Approved Purchases between $10,000 and $150,000**
- Blumentals - $43,570 – Construction Documents, Bidding & Engineering for Zumbrota building addition

Jenny reviewed the items on the consent agenda. Fiscal policy requires us to notify the board of purchases between $10,000 and $150,000. Blumentals will be preparing the documents for the Zumbrota building addition. The Building Committee did review and approve it. Minutes from the building committee were distributed at the meeting.

Heather Robins made a motion to approve the consent agenda items, Mark Thein seconded, motion unanimously approved.

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*Individual Action Items*

**a)** Internal Revenue Service Form 990 for the year ended December 31, 2018 – Prepared by BergenKDV – Hand out at the meeting

Kindra distributed the tax returns that includes the form 990, form 990T, Charitable Organization form, and the Minnesota tax return. The board reviewed the documents.

**b)** Charitable Organization Annual Report for the year ended December 31, 2018 – Prepared by BergenKDV

The Charities report was reviewed and will be filed with the State of Minnesota.

Mark Thein made a motion to approve the Internal Revenue Service Form 990 for the year ended December 31, 2018, and the Charitable Organization Annual Report for the year ended the year ended December 31, 2018 Heather Robins seconded, motion unanimously approved.

**c)** 403B Audit was removed from agenda

**d)** Change in agency insurance provider – Nonprofit Insurance Trust

Kindra presented an overview of the agency’s liability insurance. There are very few providers that are willing to insure both the transportation and the rest of the agency. Winona Agency, our current insurance broker, contacted ten providers last year; they all declined to quote except AM Trust. Our current insurance provider, AM Trust, will no longer cover our buses beginning in 2020. Many Community Action Agencies in the state are using the Nonprofit Insurance Trust. It is a collective where we are self-insured. We all pool resources to cover our losses. They provided a quote for us with an overall savings of about $16,000 per year. References are good. With the board’s approval we will make the change to Nonprofit Insurance Trust.

Mark Thein made a motion to approve the change in insurance coverage from AM Trust to Nonprofit Insurance Trust, Ruth Boudet seconded, motion unanimously approved.

**e)** Entering into a purchase agreement for 709 4th Street SE, Rochester, MN

Leah said we have been working on a project to redevelop approximately one acre along the 700 block of 4th Street SE in downtown Rochester. Over the last several years, Three Rivers has been purchasing single-family units. Once all of the properties in this block are acquired, Three Rivers will apply for funding to build an affordable housing project that will replace the existing six to seven single occupancy units with a multi-story building. The owner of 709 4th Street SE is ready to sell. The house has a rental license and we will continue to rent it until we are ready for the larger project.
Mark Thein made a motion to authorize the acquisition of the single family property located at 709 4th Street SE, Rochester, MN for up to $170,000, Erick Maki seconded, motion unanimously approved.

f) Entering into a purchase agreement for Ridgely Park Apartments, Kasota, MN

Ridgely Park Apartments has 24 units in two buildings on 5.72 acres on South Ridgely Street, Kasota, MN. The project has federal funding through USDA and Project-based Section 8 Rental Assistance from HUD that is keeping it affordable. The current owner would like to exit and must advertise to non-profit entities that are interested in purchasing the property and keeping it as affordable housing over the long-term before it can be converted to market-rate. Both USDA and Minnesota Housing Finance Agency have encouraged us to consider acquiring and preserving this property as affordable housing. We would sign a purchase agreement and then pursue funding from the state in January for the acquisition and rehabilitation. Staff requested board approval of earnest money up to $15,000 and a purchase price of $960,000, contingent on financing, the rental subsidy remaining in place (Project Based Section 8), clean results of environmental tests, no title issues, provision of financial documents, and government approvals.

Heather Robins made a motion to approve staff to negotiate and enter into a purchase agreement with Ridgely Park Apartments seller, M & M Associates, with the contingencies in place as described above and a purchase price of up to $960,000, Ruth Boudet seconded, motion unanimously approved.

g) Authorization to create Three Rivers Development LLC and assume 99.9% of the ownership of Eagle Ridge

Eagle Ridge Apartments contains 48 units of affordable housing in Red Wing. Three Rivers developed the project using Low-Income Housing Tax Credits in 2005. The current ownership structure is a Limited Partnership that includes the Limited Partner (99.99%) National Development Council and the General Partner (.01%) Three Rivers. As the property is approaching the end of the 15-year Tax Credit Compliance, the National Development Council is preparing to exit this ownership structure. Staff are proposing the following steps to replace NDC and put Three Rivers in the role of limited partner in the ownership structure.

Step 1: Three Rivers forms a new, wholly-owned MN LLC (Three Rivers Development LLC)
Step 2: National Development Council/syndicator assigns its 99.99% LP interest in Eagle Ridge Apartments LP ("Eagle Ridge") to Three Rivers Development LLC
Step 3: Eagle Ridge’s Limited Partnership Agreement is amended to reflect the fact that the Three Rivers Development LLC owns the 99.99% LP interest in Eagle Ridge and Three Rivers Community Action Inc. will continue to own .01% of the property.

Mark Thein made a motion to authorize the creation of the Three Rivers Development LLC and permit Jenny Larson to execute the attached LLC Articles of
Organization, Operating Agreement, Written Action of Managing Members and Written Action of Organizer, Heather Robins seconded, motion unanimously approved.

Mark Thein made a motion to authorize the new LLC to assume 99.99% ownership of Eagle Ridge Apartments, Ruth Boudet seconded, motion unanimously approved

h) Resolution # 2019-6 Public Transportation Vehicle Procurement for 2020-2021

Tracy said this year MnDOT is asking for board resolutions at the time of application.

The vehicle procurement is to replace buses that are aging. Each community pays for the required local match.

Heather Robins made a motion to approve Resolution # 2019-6, Public Transportation Vehicle Procurement for 2020-2021, Mark Thein seconded, motion unanimously approved.

i) Resolution # 2019-7 Public Transportation New Service Expansion for 2020-2021

We are applying for two different service expansions in Faribault. One is to have Saturday hours and the second is to create a cross-town connection between Northfield and Faribault.


j) Resolution # 2019-8 Public Transportation Large Capital Procurement for 2020-2021

This resolution is to procure a new dispatching software system, tablets, and equipment. The current software system is inefficient.

Ruth Boudet made a motion to approve Resolution # 2019-8, Public Transportation Large Capital Procurement for 2020-2021, Heather Robins seconded, motion unanimously approved.

k) River Valleys CoC Governance Charter

Jennifer Prins provided a summary of the revisions made and approved by the CoC membership in the memo distributed today, followed by the charter. Three Rivers is the fiscal agent and administrator of our 20-county regional Continuum of Care. It coordinates all homeless services and activities that are funded by the federal government. We bring in about $2 million to our region each year. HUD requires us to look at the charter every year.

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Mark Thein made a motion to approve the governance charter as revised, Ruth Boudet seconded, motion unanimously approved.

**Policy Discussion Items**

a) Winona Transit

Jenny gave an update on the current transportation contract with the city of Winona.

**Advisory Committee**

a) Head Start Policy Council – next meeting is on August 27, 2019

b) Transit Advisory Committee – minutes from August 8, 2019 were included in agenda packet.

**Comments from the public:** none

**Date, Time, and Location of Next Meeting:** 9:00 a.m., September 18, 2019 in the Three Rivers Conference Room, 1414 North Star Drive, Zumbrota MN

**Adjournment**

Mark Thein made a motion to adjourn the meeting, Ruth Boudet seconded, motion unanimously approved.

Chair

[Signature]

September 18, 2019

Date