THREE RIVERS COMMUNITY ACTION, INC.
Board of Director’s Annual Meeting Minutes
Wednesday, January 16, 2019
Three Rivers Community Action, Inc.
1414 North Star Drive, Zumbrota MN
9:00 to 10:15

Members Attending: Jo Anne Krier, Julie Steberg, Heather Robins, Jodi Johnson, Meredith Erickson, Brian Gohl, Dave Windhorst, Galen Malecha

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

Members Excused: Anita Swift, Abdullah Hared, Ruth Boudet, Mark Thein

Call to Order: Meeting was called to order at 9:00 a.m. by Chair Malecha

Determination of a Quorum: Quorum was met

*Approval of the December 19, 2018 Meeting minutes (agenda packet pages 4-11)

Jo Anne Krier made a motion to approve the December 19, 2018 minutes, Julie Steberg seconded, motion unanimously approved.

*Approval of the January 16, 2019 Agenda (agenda packet pages 1-3)

Heather Robins made a motion to approve the January 16, 2019 agenda, with the change of individual action item J which will now be an update with no action required, Meredith Erickson seconded, motion unanimously approved.

Case of the Month – Anna McCann, Support Staff Coordinator (Agenda packet page 12)

Jenny introduced Anna to the board. Anna has worked at Three Rivers a little over two years. She began as an Administrative Assistant and is now the Support Staff Coordinator and supervises our six Administrative Assistants. Anna is currently participating in the Red Wing Leaders to End Poverty which is run by the Blanding Foundation.
Anna shared a story about meeting parents who were concerned for their child, who, at four years old, didn’t speak. She was able to refer them to Head Start and as a result, the family was able to obtain resources. Another day, Anna took a call from a Home Delivered Meals volunteer who tried to deliver a meal and the recipient did not answer the door. Anna followed protocol, and when the recipient was checked on, it was discovered he had fallen. He was hospitalized and recovered quickly. The family reached out to Anna and expressed their thanks. Anna said she values the important work that each person does at Three Rivers, and being able to assist people during their hardship.

**Director’s Report** (Board Day Handout Pages 1-2)

Jenny said she is attending the Three Rivers meeting via Skype today because she was asked to present at the National Community Action Partnership’s Leadership Conference. She is highlighting our housing development work and giving tips on how other Community Action agencies can address the housing needs in their communities.

1. Partial Government Shutdown. The agencies affected by the shutdown are HUD, USDA, Homeland Security, Commerce, Interior, Justice, State, Transportation, Treasury and EPA. For now, we are operating all of our programs, and will be monitoring closely what is, or will, be affected if the shutdown continues. She will keep the Board updated as things change. Here are a few ways that the shutdown is impacting Three Rivers and our clients:

   a. Homeless programs: The homeless funding had already been allocated so we are able to continue to spend funds for permanent supportive housing and rapid re-housing, and did receive reimbursement in December (after the shutdown). We are using the state funding match to continue to operate the regional Continuum of Care (coordination of homeless programs), which was set to renew with HUD on January 1.

   b. Rental Housing: For renters on assistance, it appears that Housing Choice Vouchers (Section 8) payments were made in January, and will continue to be made in February, although funding availability beyond that looks less certain. This could affect both our own properties, as well as low-income tenants in our region. We have a few properties with project-based rental assistance from HUD and USDA Rural Development. All of these properties have active contracts, and we did receive our January payments. We anticipate that payments will be made in February as well.

   c. USDA Food Programs: It looks like families will be getting February SNAP benefits early (at the end of January) although it looks uncertain what

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happens in March if the shutdown continues. For Head Start, we receive about $11,000 per month in assistance from USDA to purchase food. In the short run, we have funding in our Head Start grant to cover this food expense. We will keep you updated if we learn more about these important food programs.

d. Homeownership: Many of the clients we are working with in our homeownership program are affected by the shutdown because they are planning to use FHA or USDA Rural Development mortgages to purchase their homes. Both of these programs are on hold. Also not operating are the USDA Rural Development home rehabilitation programs that help seniors and very low income households with emergency repairs to their homes.

e. Transportation: About 22% of our 2019 transit funds come from the FTA, who is not making disbursements during the shutdown. MnDOT has told us to operate normally, they will use state funds to cover transit costs during the shutdown.

2. State Legislature is back in session. This is a budget year, and the state currently has a $1.5 billion surplus. At the state Community Action Association, we are working to restore cuts that were made to the Community Action Grant back during the Pawlenty administration. Due to the statewide shortage, childcare is a big issue this session, and we will be watching for ways we can support access to affordable childcare for low-income households. We will also again be supporting the bi-partisan agenda of the Homes for All Coalition that is seeking to increase housing resources across all sectors. Jenny is on the agenda to testify at a Housing Committee hearing on January 30, 2019.

3. Next week, we will be participating in the region’s annual Point in Time Count to identify the number of people who are experiencing homelessness in our 20-county region. In conjunction with the count, there are numerous “Project Community Connect” events being held. These events bring service providers together as a one-stop shop for households who are looking for resources. Events are being held in Rochester, Faribault, Owatonna, and Albert Lea.

4. County Board presentations: Jenny is working on getting on the agenda for each County Board to give an update on Three Rivers. Up first is Olmsted County on February 5. Jenny will let you know as others get scheduled.

Julie asked for clarification that we are not using reserve funds during the shutdown, and that we are taking funds from the grants and using them differently at this time. Jenny said yes, the one place where we might have to make payments on something we are not getting from the federal government, is
the food program for Head Start. We are using the state Head Start grant. Kindra added that they have enough state funds to cover the meals for the next few months. Jenny said if we do need to use reserve funds due to the shutdown, she will come to the board for approval.

*Policy Action Items*

*Consent Agenda*

**Consent Agenda Items**
- December 2018 Financial Reports – (Agenda packet pages 13-20)
- December 2018 Head Start Credit Card Expenses Summary – **Share at meeting**

**Contracts, Awards & Contributions**

**Received**
- Plainview Area Foundation - $5,000 - Funds to provide volunteer rides to keep clients in their homes and communities.

**Not Received**
None

**Grants & Requests Submitted or to be Submitted**
- Minnesota Housing Finance Agency - up to $1,500,000 – Family Homeless Prevention Assistance Funds (FHPAP) 2-year grant to support eviction prevention services and re-housing of households facing a housing crisis

**Monitoring Visits & Reports**
None

Jenny said the financials are in the packet. The credit card expense report is being passed around which is required by our Head Start grant. She reviewed the consent items and added that the FHPAP grant is regional.

Julie had questions on the credit card report, and concerns that some of the funds seems to be off such as dental and legal. Kindra said the budget comes to us as a category, not as a single line item, and we put those costs on single line items because of reporting requirements of the funder. Julie asked about the amount we budgeted for dental. Kindra explained that the dental depends on the children’s needs coming in. We do not provide the same service for each child. Jane said that sometimes we do not have any, but this year we have a child who was in a lot of pain, the dental work was extensive, and the family could not pay, which is allowed in our grant. Kindra said we look at history when we budget. Over the last three years we did not have a child in that situation. We base legal costs on history. We have an employment attorney who is addressing issues for
the agency in general, so Head Start only pays a portion of those costs. However, sometimes Employee-specific legal issues come up and those grants get charged those specific costs. Expresspro (employment agency) gets reported as part of wages.

Meredith Erickson made a motion to approve the consent agenda, Julie Steberg seconded, motion unanimously approved.

*Individual Action Items*

a) Approval of the 2019 Board Calendar (Agenda packet page 25)

The proposed 2019 calendar has proposed topics for each meeting, in addition to regular business items that will come up. Each department will do a training presentation and include its operations, what the results were during the last year, and in what direction they are going. Staff are proposing that there be three months with no meeting as we did last year; however, it is up to the board. Galen said it is ok as it is, and if for some reason we need to meet we can schedule a meeting. Julie said right now with the federal shutdown, and if we would have to start dipping into reserves, we should meet in March. Galen said if we need to schedule a meeting we can. Jenny said in the months we do not meet, an update will be sent to the board.

Jodi Johnson made a motion to approve the 2019 Board Calendar, Heather Robins seconded, motion approved, opposed by Julie Steberg.

b) Nominations Committee Report - Election of Officers (Agenda packet pages 26-29)

1) Chairperson
2) First Vice Chairperson
3) Second Vice Chairperson
4) Secretary
5) Treasurer

Jenny said the Nominating Committee had three items to discuss: the slate of officers, board members with expiring terms, and seating new board members.

We have Five-year terms with no limit on the number of terms you can serve. Instead of reappointing on the anniversary month, we thought we would do it annually in January. Anyone up in 2019, we will reseat today. Today, Julie and Abdullah, are at the end of their Five-year term.

Barney Nesselth, Goodhue County Commissioner, has a conflict and cannot attend our meetings, so he has indicated to staff that he is stepping off.
Committee assignments are being made today at their workshop, so we will hear from Goodhue County on their recommended Commissioner to fill that seat. Head Start Policy Council has identified Lorena Ochoa as our new Head Start Policy Council Representative. Lorena is a parent in our Faribault Head Start program.

Galen said he is willing to continue as Chair; other current officers are First Vice Chair, Brian Goihl; Second Vice Chair, Abdullah Hared; Secretary, Ruth Boudet; and, Treasurer, Julie Steberg. Galen said Julie would take Second Vice Chair if we could find a treasurer. Galen asked Meredith if she was interested now or perhaps in the future. Meredith said she is new, inexperienced, and not savvy as to the ins and outs of the organization’s financial situation. She did tell Jenny if no one else could do it, she would. Galen asked Dave if he was interested. No, but he would help Julie if she does it again. Galen asked Julie if she would stay as Treasurer. She said she would stay, but thought it was time for a new set of eyes. Jenny said when she and Meredith talked yesterday, they talked about the At-large vacancy, and, perhaps we could find a finance-oriented person to fill that position. Galen asked Dave if he would be interested in the Second Vice Chair position. He said he would. Dave said the Nominations Committee talked about splitting the officers between counties.

Galen read the nominations for 2019 officers:
Chairperson – Galen Malecha
First Vice Chairperson – Brian Goihl
Second Vice Chairperson – Dave Windhorst
Secretary – Ruth Boudet
Treasurer – Julie Steberg
Galen asked for any other nominations three times; there were none.

Heather Robins made a motion to approve the 2019 officers, Meredith Erickson seconded, motion unanimously approved.

c) Seat Members whose terms have expired

Jenny said Abdullah and Julie have terms ending in 2019. Both have indicated they would like to remain on the board.

Brian Goihl made a motion to reseat Abdullah Hared and Julie Steberg, Dave Windhorst seconded, motion unanimously approved.

d) Approval of Lorena Ochoa, Head Start Policy Council Representative, to the Three Rivers Board of Directors

Brian Goihl made a motion to approve Lorena Ochoa, Head Start Policy Council Representative, to the Three Rivers Board of Directors, Heather
Robins seconded, motion unanimously approved.

ea) Approval of Goodhue County Commissioner to the Three Rivers Board of Directors

Tabled until we get the name of the Goodhue County Commissioner.

f) Bank of Zumbrota – Corporate Resolution # 2019-1; Update bank documents to add new officers and remove previous (handout at meeting)

Kindra said this item is no longer needed because the Treasurer did not change.

g) Board authorization to sign a three-year contract with Marco to continue as our cloud-hosted IT and managed services provider at a cost of $12,650 per month ($125 per user) or $455,400 for the life of the three year contract.

Kindra said we have been using Marco for managed IT for the last three years. They provide both infrastructure and technical support. Because the size of the contract, we did an RFP this fall. Two other companies expressed interest and responded to the RFP for IT services. Marco was the low-cost leader with a $20 decrease per user and one of the only companies who offer 24/7 support (which we used 110 times last year after hours and on weekends, primarily for transit dispatch who works evenings and weekends). Early last year, we went through a process with a consultant to review how we are handling our IT (contracting out versus hiring and hosting servers internally), and determined the Marco structure is most effective given how spread out we are and how many hours we operate each day. We determined it is most cost effective to use managed services versus staffing it ourselves. We have found consistency with Marco. Kindra was asked if we have to agree with three years. We do not; however our costs would increase significantly. Galen said they use CIT at Rice County and the City of Faribault. CIT did not respond to our RFP. Is there a way we could regionalize IT or work with a school or county? We did look at options, but not the school or county. We tried to get a community action-wide network and met with hesitancy, although we are still interested. Part of the problem with working with another organization is we have four counties plus Winona, and we work longer hours and weekends. We can share the consultant’s report with any member who would like to see it. Galen said we can approve this and explore options down the road. Julie asked if there were any other additional costs. We had migration costs initially with Marco, but that will not occur again. If we switched to another provider there would be migration costs.

Meredith Erickson made a motion to approve the three-year contracts with Marco to continue as our cloud-hosted IT and managed services provider at a
cost of $12,650 per month ($125 per user) or $455,400 for the life of the three-year contract, Heather Robins seconded, motion unanimously approved.

h) Approve staff to enter into a Memorandum of Understanding that outlines Three Rivers’ and One Roof’s roles as Co-Developers and their intent to enter into a formal partnership agreement, if the project is funded. (Agenda packet pages 30-31)

Jenny said we have been talking to a non-profit in the Duluth area about partnering on a project they have and with which they would like assistance with. We have done this type of with work with other non-profits in other parts of the state. Leah Hall reviewed the handout and began by sharing examples of projects we have consulted on in the past. One Roof Community Housing is a non-profit organization that provides housing services aimed at creating and sustaining affordable homes and healthy neighborhoods. The Brewery Creek Apartments is redevelopment of a site on Fourth Street East in downtown Duluth to create 50 mixed-income units (10 market rate and 40 affordable one and two bedroom units). Four units will serve persons with disabilities and four will serve homeless households. The five-story apartment complex will have underground parking and commercial space on the first floor that will serve as One Roof’s new offices. One Roof submitted the Brewery Creek project application into the MHFA June round and the project was not selected. After examining their current capacity to re-submit the project in June 2019, One Roof determined that they need a partner that can bring the needed capacity to both re-apply in June and guarantee project completion. Leah reviewed the project budget, sources, and partnership proposal. Leah was asked why one and two bedroom units; she said it was based on a market study and what the local needs are.

Heather Robins made a motion to approve staff to enter into a Memorandum of Understanding that outlines Three Rivers’ and One Roof’s roles as Co-Developers and their intent to enter into a formal partnership agreement, if the project is funded, Brian Goihl seconded, motion unanimously approved.

Heather said this is another example where Three Rivers has a statewide reputation for expertise and is something to be very proud of.

i) Authorize staff to work with One Roof to assemble a new Brewery Creek application and re-submit it to Minnesota Housing in the June 2019 funding round.

Brian Goihl made a motion to authorize staff to work with One Roof to assemble a new Brewery Creek application and re-submit it to Minnesota Housing in the June 2019 funding round, Jodi Johnson seconded, motion unanimously approved.
j) Approve staff to apply for financing for the Spring Creek II project, as described above, through the Minnesota Housing 2019 Housing Tax Credit Program RFP, Round 2 (January 31, 2019). (Agenda packet pages 32-33)

Leah gave an update. Many of you are familiar with the Spring Creek II project in Northfield in partnership with the HRA. We were going to ask the board to apply to the January round, but because that is a shorter round and there is a small amount of tax credits available, we have been advised to resubmit in the June round.

We are forging a new relationship with Human Relations Center and Hearth Connection. The Human Relations Center provides group residential housing and they are partnering with Hearth Connection. We will bring the project back to the board before we submit in June.

Policy Discussion Items –

a) Building Committee Update (Agenda packet pages 34-35)

The Building Committee met on January 3, 2019. The ISG Realtor told us they have a serious offer on the table from another nonprofit, and the Building Committee agreed with staff that we should continue to explore other options in Faribault. We are going back to our current space at Faribo Town Square. There is newly vacant space next to our office that Rust Consulting used to occupy. Rust has a lease through the end of 2019. Ours is up in 2020. We will talk to management and ask what is available, when it is available, explore the possibility of subleasing space in the short-term, and exploring additional classroom space in the future. We do not want to lease too much space before we need it. We have concerns about security and air quality in that space and will discuss our concerns with the owners. Jenny was asked if there is any old Kmart or Sears-type buildings available. The JCPenny store has vacated its a location in the other mall in town, and we will look at it. Brian suggested we will look into an early out clause in a new lease.

Advisory Committee - Head Start Policy Council – next meeting January 22, 2019

Comments:

There was a question on the Head Start report that is distributed on board day. It gets approved before everyone gets a chance to look at it. Kindra explained said that is a report that Head Start is really descriptive about on what has to be included. The reason for the report is that, apparently, some Head Start agencies were running up their credit cards, not paying them off, and taking the cash. We
put in the report the things they ask us to. Kindra does not feel they are always the most relevant. Dave suggested that maybe we could do it verbally. Kindra can run a separate report we give to the board. We get broad budgets and try to apply them to really tiny categories. This can make certain line items look like they are out of balance when that isn’t the intention of how the budget is set up. Kindra will work on something that will show you what the real budgets are from the Head Start funders and compare it to that report. Galen asked if those reports could be in the agenda packet instead of passing it around at the meeting. Kindra said sometimes and that depends on the timing of when the board meeting takes place. We do not have all the costs in the system by the 10th of the month when we run those reports. We will include it, and if there are major changes to the report because of the timing of the Policy Council meeting, we will pass that amended report around for approval. Heather said if we give it to board in the agenda packet, members can call or meet with Kindra before the meeting if they have questions. Kindra said she is available for questions any time outside of the meetings. Kindra explained how she works with staff on preparing program budgets.

**Date, Time and Location of Next Meeting:** 9:00 a.m., February 20, 2019, 2019 in the Zumbrota office conference room, 1414 North Star Drive, Zumbrota, MN 55992

**Adjournment**

Brian Goihl made a motion to adjourn the meeting, Julie Steberg seconded, motion unanimously approved.

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Vice-Chair

February 20, 2019
Date