THREE RIVERS COMMUNITY ACTION, INC.
Board of Director’s Meeting Minutes
Wednesday, April 17, 2019
Three Rivers Community Action, Inc.
1414 North Star Drive, Zumbrota MN
9:00 to 10:15

Members Participating: Heather Robins, Jodi Johnson, Meredith Erickson, Dave Windhorst, Galen Malecha, Ruth Boudet, Mark Thein, Julie Steberg, Jo Anne Krier, Abdullah Hared

Staff Attending:
Jennifer Larson, Executive Director
Kindra Papenfus, Chief Financial Officer
Jane Adams Barber, Head Start Director
Tracy Holguin, Transportation Director
Jennifer Prins, Planning Director/CoC Coordinator
Vicki McKay, Human Resources Director
Donna Stamschorr, Administrative Support Manager
Randi Callahan, Family Advocacy Services Coordinator
Carla Pearson, Senior Program Coordinator

Members Excused: Barney Nesseth, Brian Goihl, Lorena Ochoa, Anita Swift

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 February 20, 2019 Meeting minutes (agenda packet pages 5-11)

Ruth Boudet made a motion to approve the February 20, 2019 minutes, Dave Windhorst seconded, motion unanimously approved.

*Approval of the April 17, 2019 Agenda (agenda packet pages 1-4)

Mark Thein made a motion to approve the April 17, 2019 agenda, Julie Steberg seconded, motion unanimously approved.

Case of the Month – included in Family Advocacy Services annual report
Director’s Report
(April Report is board day handout page 1)

1. With no meeting in March, Jenny sent out an email update to report on the very busy month we had. We are also handing that out today for anyone who missed it.

2. Federal Policy update – Jenny had good meetings in Washington DC with the staff of Senator Smith, Senator Klobuchar, Representative Craig and Representative Hagedorn. Following that trip, two members of Rep. Angie Craig’s local staff visited us and expressed great interest in our work. Rep. Craig has now signed on the federal Community Services Block Grant reauthorization bill, and we are hopeful that she will come for a visit sometime this year.

3. State Policy update – Our statewide Community Action Association has been working to increase funding for Community Action through a bill authored by Representative Todd Lippert from Northfield. We have good bi-partisan support across the state, and we do have funds in the House HHS bill. Now we are waiting to see how the funding fares in conference committee. Other things we are watching are: increases to MFIP (Minnesota Family Investment Plan) (hasn’t been increased since 1986), funding bills for housing, and childcare assistance program funding.

4. Three Rivers is participating in two new collaborative grant opportunities in Rice County. First, is a group including the Chemical and Mental Health Collaborative that applied for DHS funding to address opioid treatment, prevention, and recovery services. We just found out that the grant will be receiving funding, and Three Rivers will be participating on the coordinating group, and providing housing supports to affected families through our existing resources. Second, a large group of partners working with low-income families are submitting a Whole Family Services grant to DHS next week. The multi-year grant will provide resources for planning and implementing community-based approaches to work with entire families to close racial and economic opportunity gaps. Three Rivers is a member of the core planning team for this grant, and Workforce Development and Healthy Community Initiative are lead applicants.

5. The Regional Transportation Coordinating Council grant is coming to an end this summer. Three Rivers was the fiscal agent for the planning year grant, and we have let the Steering Committee know that we don’t believe we are the right fit to house the long-term operating grant. We will continue to participate as a member of the Steering Committee.
6. Bank issue – We want to bring to your attention that a fraudulent check cleared the Bank of Zumbrota last month. Our staff caught it and we stopped payment immediately. We are now looking into what happened on the bank’s end, as we believe they should have caught it since it was a check that was out of order and did not have the proper signatures. We would like to gather more information and bring this back as a discussion item in a future board meeting.

7. CSBG Report – In February, you approved the draft of the Community Services Block Grant report. We have finalized and submitted our report. Donna can print a copy for anyone that would like a final copy – we made just a few changes to clean up a few numbers. Also, the statewide Community Action Report is also now available. We have copies here for anyone who is interested. Three Rivers is featured on pp. 118-119 of the report.

The March Report delivered via email on 3/15/19, and distributed to the board on 4/17/19 for inclusion in minutes (Board day handout pages 2 – 4)

1. New funding
   a. MN Dept of Health – Three Rivers was awarded $2.2 million over the next 3.5 years to expand our Early Head Start home visiting program, serving children ages 0-3 and their families. This is a new grant for us, serving 106 new families each year. In addition to expanding our own staff and programming in Goodhue, Wabasha, and Rice counties, we will be working with Families First, Jeremiah Program and Sencac as sub-grantees to serve Olmsted, Mower, Fillmore and Freeborn counties.
   b. MN Dept of Transportation – Our public transit operating grant has been adjusted to require a smaller amount of local match (5% instead of 15%) this program year, resulting in additional grant income of $314,200 for FY2019. These funds will be used for operations, and allow us to put fee income into reserves.
   c. MN Housing – We have received and additional $12,150 for homebuyer education and counseling to add additional classes and clients in Olmsted County (the county is no longer providing this service, a portion of their contract was moved to Three Rivers)

2. Visitors to Three Rivers – We hosted some important guests in the last few weeks.
   a. Congressman Jim Hagedorn visited our Faribault office on 2/22. We toured the office, rode the bus, and visited our Prairiewood housing project. There is a photo of the visit on our Twitter page here.
   b. MN Department of Commerce Commissioner Steve Kelley visited our Faribault office on 2/22. We talked about the Energy Assistance and Weatherization programs, which are both administered by the Dept of
Commerce, as well as work we are doing to develop a class for new homeowners to talk about energy efficiency (recently funded by the Dept of Commerce).

c. Minnesota Housing Finance Agency Commissioner Jennifer Ho visited our Rochester office on 3/8. She met with our housing staff, and two of our recent homebuyers came to share their stories. MN Housing put together a great video of their Rochester visit (we are the third stop). You can watch it here.

d. Staff for Congresswoman Angie Craig will be meeting with our staff in Northfield on 3/25. Rep. Craig sits on the Transportation Committee, so her staff are interested in learning more about how our rural public transit program works. We will also cover our other programs, and continue to work on getting Rep. Craig herself to come for a visit.

3. State Legislative Updates

a. MinnCAP (our state association of Community Action agencies) is working on a bill to increase the MN Community Action Grant. Jenny is grateful Rep. Todd Lippert (Northfield) is our bill’s chief author. I testified at the Health and Human Services Committee on 3/13, and the bill was featured in the Session Daily. You can read the article here.

b. Housing is getting a lot of attention this session, and Three Rivers is still supporting the Homes for All legislative agenda. I testified in support of housing programs at the Housing Finance and Policy Committee on 2/27, and several of our staff joined the statewide Homeless Day on the Hill on 3/13. Many housing bills are getting bi-partisan support as legislators want to address housing shortages across the state.

c. Child care is getting a lot of attention this session. We were asked to share how Head Start and child care can work together (like we are doing in Northfield), and the importance of Childcare Assistance Program to families with low-income who are working, looking for work, or going to school. Our Head Start Director, Jane Adams Barber, was a presenter at a small group listening session hosted by Lt. Governor Peggy Flanagan at the capitol on 2/15.

d. Either staff or I (or both), have been meeting many of our state representatives and senators during this legislative session, including Rep. Lippert, Rep. Haley, Rep. Drazkowski, Rep. Liebling, Rep. Pierson, Rep. Quam, Sen. Goggin and Sen. Nelson. These visits have gone very well, and many have expressed interest in coming to visit our offices when the session is over.

4. Federal Legislative Updates

a. This week, Rep. Betty McCollum (D-MN) and Rep. Glenn Thompson (R-PA) introduced a bill for the reauthorization of the federal Community Services Block Grant (CSBG), which is flexible funding for locally-based programming at Community Action agencies across the country. There is strong bi-partisan support for this bill in Congress.
b. As in past years, President Trump's budget shows cuts or elimination of many of the programs we use to run our programs. As a reminder, the President's budget is a suggestion, and the actual budget numbers come directly from Congress. Because most of our work has bi-partisan support in Congress, we are again hopeful that funding levels will remain relatively stable as budget negotiations begin for the next federal year (beginning October 2019).

5. Transportation

a. New building – The weather - cold, snow, more cold, more snow, rain, ice – has caused a delay in the Plainview building. We are working with the contractor to update the timeline for completion, likely sometime in April.

b. Unmet Need Surveys – We have just issued our unmet need surveys to be filled out by community members. This feedback helps us plan future needs, and supports any proposed changes or expansions we want to make in our application to MnDOT (typically due in June). Here are the links to the transit survey if you are interested in participating:

   i. Northfield
   ii. Faribault
   iii. Red Wing

6. Housing

a. Fox Pointe Townhomes, Austin – Construction has been delayed due to harsh winter weather (in addition to all the rain last summer), but we are nearing completion of the first building. Construction should be fully complete this summer, and we will host an open house at that time.

b. Spring Creek Townhomes II, Northfield – Staff are working with the Northfield HRA to get phase 2 of this project ready to re-submit for funding in June. Staff hosted the Northfield Affordable Housing Task Force at phase 1 of Spring Creek Townhomes, and community members were excited to support another phase of this successful project.

7. Head Start

a. The Northfield Head Start and Childcare Center has re-opened after the pipe burst in February, after closing for three weeks while repairs were done. The building insurance covered repairs to walls and floors, and we
have filed an insurance claim for our property damaged – mostly wooden furniture and some equipment – as well as lost income.

b. Due to the many snow days, staff are busy making up for lost time, scheduling class on many Fridays so that we can end the year on time. Thankfully, we do not need to make up the days that the Northfield center was closed due to the burst pipe.

8. Building Committee
   a. Donna will be reaching out to the Building Committee to set up a meeting sometime prior to the next board meeting, and we will give the full board an update then.

*Policy Action Items
Consent Agenda

Consent Agenda Items
- Final 2018 Operating Report – (Agenda packet page 12)
- Mutual of America – February Statement – Enclosed (Agenda packet pages 29 - 30), March Statement (Board day handout pages 5 – 8)

Contracts, Awards, & Contributions Received
- Minnesota Department of Education - $456,795 - Pathways II Scholarship funds to provide transportation for children in Zumbrota and Wabasha, and surrounding areas, and to fund three staff positions that provide classroom support to teachers for two years.
- Minnesota Housing Finance Agency - $40,000 - Additional funds for Gap loans for qualified homebuyers
- Minnesota Department of Health - $2,270,607 – Four-year grant to partner with area agencies and provide evidence-based home visiting services to 106 families in Southeastern Minnesota.
- Minnesota Department of Transportation - $314,200 - Additional state funds to operate Hiawathaland Transit in 2019.
- Wabasha County - $5,000 - Funding to support the agency's senior programs.
- Minnesota Housing Finance Agency - $12,150 - Additional funding for Homeownership education, counseling, and training in Olmsted County

Not Received
- None

Grants & Requests Submitted or to be Submitted

April 17, 2019 Board Minutes
Page 6 of 13
• Minnesota Department of Human Services - $100,000 – two-year grant renewal to provide scattered site transitional housing services through our four-county area.
• Minnesota Department of Human Services - $140,000 – Two-year grant renewal to provide homeless prevention and rapid rehousing throughout our four-county area.
• People’s Energy Cooperative Trust - $25,000 - Request for funds to purchase furniture for new Plainview facility.
• Minnesota Housing Finance Agency - $220,000 - Grant funds to provide financial empowerment coaching as part of Three Rivers’ Achieve Homeownership program for 2 years.
• 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.

Monitoring Visits & Reports
• Minnesota Department of Commerce letter dated 2/26/19 – program audit report for 2018 – 2019 Energy Assistance program. (agenda packet pages 33-38)
• Minnesota Housing Finance Agency letters dated 2/20/19 and 2/28/19 – program audit reports for gap loan program, including agency response and MHFA final release. (agenda packet pages 39-49)
• Minnesota Department of Commerce letter dated 3/15/19 – program audit report for 2018-2019 Weatherization programs. (agenda packet pages 50 – 54)

Approved Purchases between $10,000 and $150,000
• Allstate Peterbilt of Winona - $10,000 – Replace engine in Winona bus 1634

Kindra said, in addition to the regular reports, we have the December 31, 2018 Operating Report. We covered it this morning at the fiscal meeting before the regular board meeting. We came in on budget. On the bottom of the report are explanations on some of the specific categories. If you look at the March reports we are on track for both revenue and expenditures. Audit costs have increased. Other costs in general tend to be higher at the beginning of the year because that is when a lot of publications, dues, and subscriptions that are annual costs tend to be recognized at the beginning of the year.

Jenny reviewed the grants received. The Minnesota Department of Transportation gave us $314,200 extra this year. Wabasha County gave us some funding to support senior programs. Monitoring reports are included. The Department of Commerce has been here to review the Energy Assistance Program and Weatherization, and Minnesota Housing looked at our files for the Gap Loan Program. Our fiscal policies state that we will let you know of purchases between $10,000 and $150,000. You will see that we had to replace an engine.
Heather Robins made a motion to approve the consent agenda, Mark Thein seconded, motion unanimously approved.

**Individual Action Items**

a) Review of 403B investments & fees. (Jeff Schuur, Gardner Financial) Board action to deem fees reasonable.

Jeff Schuur, Financial Advisor from Gardner Financial, attended the meeting today to talk to the board about the retirement 403B program and fees. It is the Board’s responsibility to review plan fees each year. Gardner Financial is an independent investment firm, serving as advisors to staff for the plan. He is available to meet with staff individually and receives calls from staff to advise them on their individual plans. He had a folder prepared for each Board member, showing the fees on each fund that is available to staff. The current plan is through American Funds, which have been around since 1931. American Funds have remained consistent in good times and bad. He also likes that they have team management, rather than one person who manages the fund. Each fund has a fee, overall the funds available to our employees have an average cost of .99%. The average cost of a plan this size nationwide is about 1.21%. Julie asked who pays the fees. The expense comes out of the mutual funds, the accounts owned by the employees, on an annual basis.

Mark Thein made a motion to deem the 403B fees reasonable, Ruth Boudet seconded, motion unanimously approved.

b) Head Start Transportation Waiver. (Agenda packet pages 55 – 58)

Jane explained that it is a Head Start requirement that monitors are required on the Head Start bus to ride to and from school with the children. Three Rivers is requesting a waiver granting permission to go without a monitor on the bus because we have technology in place that serves the same purpose. All of our buses have cameras and GPS tracking systems, so we know where the kids are at all times. Dave asked if we ever get any flack on this. Jenny said we have had the waiver for many years. Jane said that when we were reviewed, they were amazed by this. They informed the Office of Head Start what a cool thing this is to do instead of having people on the bus; in fact, it is more safe for the children. Jane reminded the Board that we are providing transportation in our more rural areas to centers in Zumbrota and Wabasha. The other sites (Red Wing, Faribault, Northfield) do not offer Head Start transportation, but some families are using public transit.

Dave Windhorst made a motion to approve the Head Start Transportation Waiver, Jo Anne Krier seconded, motion unanimously approved.
c) Approve staff to apply for financing for the Spring Creek II project through the Minnesota Housing Tax Credit Program. (Agenda packet pages 59 – 60)

Leah said we talked about Spring Creek II at the January meeting. We have been working on this project for over two years. It includes 32 townhome units on land in which the HRA owns and donated. The project will include four units for local homeless families with children. New this year, Three Rivers will also include four units for persons with developmental disabilities. Leah reviewed the updated budget. Total development cost is just over $11,000,000. TIF (Tax increment financing) from the City and the land donation from the HRA is making this project possible. We are going into Minnesota Housing without a gap, so the request is for tax credits only, which will generate private equity into the project.

Meredith Erickson made a motion to approve staff to apply for financing for the Spring Creek II project, as described, through the Minnesota Housing Tax Credit Program RFP due June 4, 2019, Abdullah Hared seconded, motion unanimously approved.

d) Authorize staff to apply for Multifamily Housing Preservation and Revitalization Demonstration Program (MPR) funds from the United States Department of Agriculture (USDA) Rural Development to rehabilitate the Clover Patch Apartments in Saint Charles. (Agenda packet page 61)

This 32-unit rental property is a USDA Rural Development constructed in 1980. In 2005, Three Rivers acquired the property in order to preserve the affordability of the units, and did some rehab at that time. The property is now 35 years old, and its current rehabilitation needs include: exterior improvements (such as new windows and siding), site grading to address water intrusion issues, repaving the parking lot, and interior improvements. We are working with Minnesota Housing to access some of their rehab funds as well. We received word that we have been invited to submit a full application to USDA. Our request will be over $600,000. We will come back to the board when we find out what type of funding we will receive from USDA, the request today is to authorize us to apply for the USDA program. This is part of Resolution 2019-1.

e) Authorize Jenny Larson to sign all documents relating to USDA MPR loan and/or grant application – Resolution number 2019-1 (Agenda packet page 62)

Resolution 2019-1 authorizes staff to apply for USDA MPR funds, and authorizes Jenny Larson to sign all related documents for the application.
Heather Robins made a motion to approve Resolution number 2019-1, Mark Thein seconded, motion unanimously approved.

F) Approval of Erick Maki to the Three Rivers Community Action Board of Directors. Biography attached on agenda packet page 63.

The current Board vacancy is for an At-Large member with a statewide geography. We have also talked about having a board member with finance and housing experience. Erick has both. He is a Market President at Bremer Bank and covers the southeast part of the state. He has worked with nonprofits and housing developments all across the state. We brought his name and bio to the nominations committee via email. Jenny said Erick thought he could be in person most of the time, and, if not, he can be on the phone or on video conference. If the board approves, he would start his 5 year term in May.

Mark Thein made a motion to approve Erick Maki as the statewide at large member of the Three Rivers Board of Directors, Ruth Boudet seconded, motion unanimously approved.

g) Recommendation of the Building Committee. Option A: Sell or demolish Veterinary Clinic building and add on to the existing Three Rivers building. (Agenda packet pages 64 - 66)

The Building Committee met last week. They discussed next steps for the Vet Clinic building. We could renovate the Vet Clinic, or dispose of it and build on to the current building. We are in discussions with a hauler who may take it. We are out of space in Zumbrota. The recommendation of the building committee is to get rid of the Vet Clinic building and add to our current building. Part of the discussion at the committee meeting was the need for bus storage. If the Vet Clinic is gone, that gives us room to build bus storage and more parking. We are looking for the board to discuss, and decide if they want to take the Building Committee’s recommendation. Our next steps would be: go to the architect to do design, get some real cost estimates, get bids, evaluate financing options, and bring all of that information to the board before we would start the project.

Heather Robins made a motion to approve to sell or demo the Veterinary Clinic building and add on to existing Three Rivers building, Dave Windhorst seconded, motion unanimously approved.

Dave said, if we could get someone to haul the Vet building away, it would save us demolition costs. Galen said the committee felt having staff work in the Vet Clinic would be an instant disconnect for them. Jenny said the building would have to be gutted and remodeled. Our current bus storage in Zumbrota is not great; for one thing, it is very tight. If we have land, we can
build a bus facility and charge it to our transit grant out of operating. Mark asked about putting the board room over at the Vet Clinic, and putting offices in the current board room space. We would need to renovate the Clinic, we need eight offices, and, would not be able to get them in the current board room space. What about Head Start at the Clinic? It would take a lot to make it licensable.

Dave said, as we do this, we should be looking into the future. It may not be necessary to do it all now, but we should be thinking ahead. The Architect will take a look at all of the options. The design distributed today shows a board room on the addition, freeing up the current board room for offices, classroom, or another use.

Kindra said one thing about operating both buildings is that we have appropriate funding to absorb an increased cost in space. Financially, part of the reason it is difficult to move one program next door is that program paying for the entire cost of the space. The board room is not on its own and allocable to some of our grants; some of our grants do not allow us to pay for board expenses. We talked about having admin function out of the Clinic and allocate to all of the grants. That leaves staff, who are already under a lot of time pressure running back and forth between buildings, to try to get work completed.

Next step is to have the Architect look into design. Once we have the design settled, we will get bid documents ready. We are also looking at our financing options.

Policy Discussion

a) Family Advocacy Services’ Annual Report (Agenda packet pages 67 - 82) Randi Callahan, Family Advocacy Services Coordinator, and Carla Pearson, Senior Program Coordinator, are here to present today. The presentation is in the packet.

Carla began by giving an overview of Home Delivered Meals (HDM) and Caregiver Support Services. Caregivers are mostly adult children and spouses of older adults who need help in the home. Our goal is to keep people in their home away from assisted living and nursing homes for as long as possible. There has been a huge push in Minnesota to help caregivers. In 2018, we served 27,620 meals. We served 349 unduplicated clients, and had 917 contacts in the Caregiver Support Services program. Volunteerism increased in Faribault, and we were able to add an additional HDM route. We are assisting many older people who live alone and living in poverty. She shared a story about an HDM recipient. The HDM program provides a daily check of our client. The volunteer who delivers the meal makes sure they are ok, if there appears to be an issue, Carla is called, and then Carla will call the
client. If they do not answer, she will contact the caregiver, and if there is no answer there, she does a home visit. In this case, the client had suffered a stroke and 911 was called. A week later, the daughter called Carla and thanked her for saving her mother’s life. Carla, in turn, thanked the driver who brought this to her attention. Moving forward, Carla would like to see a chore service and affordable home care for seniors.

Randi presented on the Family Advocacy services. She said she calls her team “The Dream Team” and is grateful for all their hard work with clients and within the community. There are four advocates. Larry is a licensed social worker out of our Rochester office. Our newest advocate, Carla, works in Olmsted County, and is overseeing the Permanent Supportive Housing units in Austin. Amy is our licensed social worker in Rice County, and works with Permanent Supportive Housing at Prairiewood. Doreen is our advocate in Goodhue and Wabasha Counties. She has a long history in housing management, so she has been really helpful in that regard. We link families to a wide range of services. Our goal is lasting residential stability. Randi shared department demographics and told us about the grants we receive from Federal, State, counties and collaboratives. She said the Coordinated Entry System has been used for two years now. If anyone calls us, there is no wrong door. We can access their needs and put them on a priority list. Prevention Services helps with back rent to prevent homelessness. Tenant-based rental assistance is where the tenant is the lease holder and we help them find a place that best fits their needs. Permanent Supportive Housing is for chronic homeless who typically have a disability of some sort. The units we have are incorporated in our Housing Development projects. Randi shared a story of a woman, with a young child, who was fleeing from domestic violence for a couple years. We were able to get her into housing. This is the first time in four years her child has had any stability.

Randi said we also receive funding for SNAP (Supplemental Nutrition Assistance Program) and from A16 Energy Assistance which helps to get their homes energy efficient.

Galen thanked Randi and Carla for the work they do. Heather asked about tenant and landlord negotiations, specifically when the problem might be tenant behavior. We do not have training in mental health, but we make referrals to other resources that do. Advocates will work with landlords on the tenant’s behalf. We do not want people to fail, so we do not give them money and walk away.

b) Hiawathaland Plainview Transit Building Update (Agenda packet page 83)
Advisory Committee

a) Head Start Policy Council – minutes from March 17, 2019 meeting (Agenda packet pages 84 – 88) Next meeting is in May.

Comments from the public: None

Date, Time, and Location of Next Meeting: 9:00 a.m., May 15, 2019, in the Zumbrota office conference room, 1414 North Star Drive, Zumbrota, MN 55992

Adjournment

Abdullah Hared made a motion to adjourn the meeting, Mark Thein seconded, motion unanimously approved.

Chair

May 15, 2019
Date