THREE RIVERS COMMUNITY ACTION, INC.
Board of Director's Meeting Minutes
Wednesday, December 18, 2019
Three Rivers Community Action, Inc.
1414 North Star Drive, Zumbrota MN
9:00 to 10:15

Members Participating: Meredith Erickson, Ruth Boudet, Brian Goihi, Julie Steberg, Erick Maki, Mark Thein

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

Members Excused: Heather Robins, Galen Malecha, Jo Anne Krier, Jodi Johnson, Dave Windhorst, Barney Nesseth, Abdullah Hared

Call to Order: Meeting was called to order at 9:00 am by Secretary Ruth Boudet.

Determination of a Quorum – Quorum was not met. The group met as a committee of the whole.

Approval of the November 20, 2019 Meeting Minutes

Julie Steberg made a motion to approve the November 20, 2019 meeting minutes, Meredith Erickson seconded, motion unanimously approved.

Approval of the December 18, 2019 Agenda

Mark Thein made a motion to approve the December 18, 2019 agenda with one change: item 13, Executive Director's Review, will be deferred to the January meeting. Julie Steberg seconded, motion unanimously approved.

Case of the Month – None

Director's Report

Jenny said we have many people out today due to prior commitments. We will defer the executive director’s review to the next meeting in January.
The Veterinary Clinic has been demolished and the site has been leveled and is available for parking. Our architect is finalizing the bid documents. We will come back to you with construction numbers after bids are in. We are waiting to hear from Bremer Trust, where we applied for a capital grant for the building. We will find out about the grant in February.

The tenants next door at Faribo Town Square have left. The space is available January 1, 2020. We are finalizing negotiations to acquire additional space for staff. Funding for the new space will be paid through the cost allocation plan and is in the budget.

The federal government has passed a spending bill for 2020. There is a $15 million increase in CSBG (Community Services Block Grant) that will go to community action agencies across the country. Weatherization is getting a 20% increase. The Energy Assistance Program (EAP) received a $50 million increase, which is a small percentage for the $3.74 billion program.

January is our annual meeting. The nominating committee will meet prior to our next meeting to recommend a slate of officers.

*Policy Action Items*

**Consent Agenda Items**

- November Financial Reports
- Mutual of America – November Statement
- November Head Start Credit Card Expenses Summary – **Share at Meeting**

**Contracts, Awards & Contributions**

**Received**
- Southeast Minnesota Area Agency on Aging (SEMAAA) – $194,970 - Home Delivered Meals program for Goodhue, Rice, and Wabasha counties
- Southeast Minnesota Area Agency on Aging (SEMAAA) - $53,130 – Renewal of Caregiver Advocate program for Goodhue, Rice, and Wabasha counties
- Southeast Minnesota Area Agency on Aging (SEMAAA) - $28,448 - Renewal of Senior Volunteer Transportation program for Goodhue, Rice, and Wabasha counties
- Minnesota Housing Finance Agency - $45,000 - Additional funds to support planning process for housing development in conjunction with Bear Creek Church/Crossroads Campus
- Minnesota Housing Finance Agency - $200,000 - Funds to provide down payment assistance loans to income-qualified households purchasing a home in southeastern Minnesota
- Minnesota Department of Commerce - $625,825 - Renewal of Federal / State Funds to provide energy assistance and crisis funding to households in Olmsted, Wabasha, Goodhue, and Rice counties

**Not Received**
- Hormel Foundation - $30,000 - funding to support serving homeless families at Fox Pointe Townhomes
- Hormel Foundation - $30,000 - funding to support Achieve Homeownership program activities in the Austin Community

**Grants & Requests Submitted or to be Submitted**
- Goodhue County Family Service Collaborative - $12,000 - Funds to prevent or end homelessness for families with young children in Goodhue County
- Associated Bank - $20,000 - Support for Achieve Homeownership & Downpayment Assistance Programs

**Monitoring Reports & Responses**
- Minnesota Department of Human Services, Office of Economic Opportunity – Single Audit compliance letter/release
- Nonprofit Insurance Trust – November 25th letter regarding October 29th risk management/loss control visit

**Approved Purchases between $10,000 and $150,000**
- None

Meredith Erickson made a motion to approve the consent agenda, Mark Thein seconded, motion unanimously approved.

**Individual Action Items**

a) Ridgely Park Apartments, Kasota, MN - apply for financing

Ridgely Park Apartments is a USDA 515 Property that is also 100% subsidized by HUD Project-Based Section 8. In order to keep this property as a subsidized, affordable rental project, Three Rivers was authorized by the Board to enter into a purchase agreement with the seller in September 2019. Staff then began assembling an application for the January 2020 MHFA Multifamily RFP (Round 2) in order to secure a new first mortgage, tax credits, and deferred loans to acquire and rehabilitate the property. Leah reviewed the project budget and funding sources with the Board. All financing awarded will be brought back to the Board for review and approval prior to any closing. Leah asked for questions. She was asked if it is currently full and if there is transportation. Leah said it is full with a wait list of about 60 people. There is a Dial-A-Ride that can bring people to Mankato or St. Peter and there is a fixed transit route.

Mark Thein made a motion to approve staff to apply for financing for the Ridgely Park project, Erick Maki seconded, motion unanimously approved.

b) Northern Oaks Townhomes, Northfield, MN - approve the proposed Community Resource Bank loan and authorize Jenny Larson to execute loan documents
Northern Oaks is an eight-unit rental townhome development that was constructed in 1998 and is owned directly by Three Rivers. This property is one of the agency’s first housing development projects and was funded by Greater Minnesota Housing Fund (GMHF), Minnesota Housing Finance Agency (MHFA), the City of Northfield, and the Federal Home Loan Bank.

The property will pay off the first mortgage on 1/3/2020, and per the project’s structure, once the first mortgage is paid off, GMHF’s $60,000 deferred loan will balloon. In order to repay GMHF, staff recommend taking out a new first mortgage with Community Resource Bank in Northfield.

Leah reviewed the loan structure and the details of the new mortgage proposal.

Erick Maki made a motion to approve the proposed Community Resource Bank loan in the amount of up to $63,500, with the loan terms Leah shared, to repay the Northern Oaks Townhomes GMHF deferred loan and authorize Jenny Larson to execute loan documents needed to secure the new mortgage. Julie Steberg seconded, motion unanimously approved.

c) Approval for the Federal Head Start Grant of $1,751,355 for the 2020-21 school year

Jane explained that this is our regular request to apply for and accept the federal Head Start grant that serves 169 children. It is submitted in January.

Mark Thein made a motion to apply for and accept the Federal Head Start Grant of $1,751,355, Meredith Erickson seconded, motion unanimously approved.

d) Approval of 2020 Operating Budget

We presented a draft of the budget last month. Since then, we have added a staff position to Head Start, and Housing Development received a little more money including extra funds for staffing for the Achieve Homeownership Program.

There was a question about developer fees. When we budget for developer fees this time of year, we know what has been funded for the coming year. Projects take time from funding notification to closing and construction completion. When we budget fees in the annual budget, we know what is funding, what is in process and what projects will be completed in that year. We do know that development can run into delays, so timing of income can sometimes be off. We do have a housing reserve fund that has a significant amount of money in it. This could get us through a slow time if there were project delays. We would use the reserves, but the fee would come in and replenish those reserves.

We budget in each grant a 3% annual increase in cost across the board.

In one of the fiscal board trainings this year, we covered agency reserves as a topic. We have been putting $10,000 to $30,000 into unrestricted agency reserves which come from very a few programs where we are allowed to keep program income. We
also receive employee donations, and $5,000 to $10,000 in other donations outside the agency. The agency reserves are not part of the annual budget planning.

Erick said Three Rivers’ staff have done a great job with managing through the budget piece and how close you are coming to the budget last year. He asked if there are areas where the staff want to invest. Jenny said our staff have many ideas. Jane has added the Early Home Visiting program and Leah expanded homeless services. We have grown quickly in the last three years, but we do not have plans for large additions in 2020. We do have several housing projects in the planning stages, and staff are always looking for opportunities to supplement existing programs.

Erick recommended we create a wish list for over the next three years. Jenny said the strategic planning process will be starting again soon, starting with our Needs Assessment which is done every three years. We will involve the staff and the board in the planning process.

Erick Maki made a motion to approve the 2020 Operating Budget, Mark Thein seconded, motion unanimously approved.

e) Approval of 6% retirement match for 2020

We have been at 6% for many years. This is the match employees receive after one year of employment. We are large enough that a 403B audit is required each year.

Mark Thein made a motion to approve 6% retirement match, Meredith Erickson seconded, motion unanimously approved.

f) Recommend salary/benefit increase

Jenny presented the staff recommendation for the annual salary increase. Staff is requesting a 3% increase. What we would like to do this year is, rather than give everyone the percentage increase, we would give everyone the same dollar amount equivalent, which would be 72 cents an hour. This means that lower wage staff will get higher percentage increases than higher wage staff. The program directors agree with this strategy, as it will encourage retention in the positions that turn over the fastest, which are the entry level and lower wage jobs. 3% is budgeted.

Brian Goihl made a motion to approve a 72 cents an hour increase for all staff to begin the pay period starting December 21, 2019, Mark Thein seconded, motion unanimously approved.

Since there is not a quorum today, we will send out an electronic poll to the Board to confirm this action.

Policy Discussion Items

a) By-laws
Staff and by-laws committee members started a discussion on the at-large definition in our by-laws. The by-laws outline that we have three members each from our four counties (12 total) and three at-large members. One at large seat is statewide and two are people who are within 20 counties of southeast Minnesota, but outside of our four counties. We have two at large member seats filled. Erick is our statewide representative, and Meredith lives in Steele County. We have an Early Childhood spot to fill and have a lot of people who could fill it, but they are in our four counties or in Dakota County, which does not work because it is not part of the 20 counties. We would like to make it easier to fill vacant seats.

Meredith said if you have twelve spots, including three from each county, in theory, the three at large could be from wherever you wanted. This could result in all three at large from one county, and you could end up with the majority of your board members from one county. Meredith thought the language could be tweaked a little more.

Jenny said the problem we have in filling the positions is very complex. 1/3 have to be elected officials, 1/3 have to represent the low income sector, 1/3 are community members. We also have specialty slots. Head Start requires us to have an attorney, an early childhood rep, and a policy council rep. Meredith is an attorney, the early childhood rep is vacant, and it is hard to get a policy council rep because most of our parents are working.

Meredith pointed out that Northfield is in both Rice and Dakota. If there is a way to say these four counties and cities partially located in those counties, service area could be defined differently to include parts of Northfield that are in Dakota County.

Jenny will reconvene the By-laws Committee to work on language to bring back to the board in January.

b) Customer Satisfaction Survey

The customer satisfaction survey is conducted every two years. We emailed the survey to 3,000 email addresses and received 367 responses. Our drivers handed out paper surveys on the bus and we mailed surveys to our Home Delivered Meal clients. We sent it to people living in the rental units we own.

Total responses by county: Goodhue = 80, Olmsted = 143, Rice = 81, Wabasha = 44, Other = 17. Other county locations were reported by residents of rental property owned by the agency.

Jenny reviewed the document. Customer satisfaction is high. They were asked seven questions about how satisfied they are with Three Rivers, and all questions had over 90% satisfaction. The Board reviewed the report and a sample of the comments submitted by clients. The Board thanked the staff for their work.

c) Transportation Update
Jenny gave an update on our transportation contract with the City of Winona. Staff have been working with the City of Winona over the past several months, as the contract with the city has not been covering the cost of operating the service. Jenny has met with city staff and expressed that we cannot continue to cover our loss and that we are asking for additional resources from the city. Board members discussed the best way to indicate more urgency in the negotiations with the city. The contract has a 120 day termination clause. Board members felt we should exercise the clause and if the city is willing, continue to negotiate during that time.

Meredith Erickson made a motion to give notice to the City of Winona to exit the contract, Brian Goihl seconded, motion unanimously approved.

Advisory Committee

a) Head Start Policy Council – Meeting minutes from November 26, 2019 were in agenda packet.

Comments from the public: None

Date, Time, and Location of Next Meeting: 9:00 a.m., January 15, 2020, Three Rivers Conference Room, 1414 North Star Drive, Zumbrota MN

Executive Director’s Review – Deferred to January meeting.

Adjournment

Julie Steberg made a motion to adjourn, Erick Maki seconded, motion unanimously approved.

First Vice Board Chair

January 15, 2020
Date

December 18, 2019 Board Minutes
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