THREE RIVERS COMMUNITY ACTION, INC.
Board of Director’s Meeting Minutes
Wednesday, June 19, 2019
Three Rivers Community Action, Inc.
1414 North Star Drive, Zumbrota MN
9:00 to 10:15

**Members Participating:** Jodi Johnson, Meredith Erickson, Ruth Boudet, Mark Thein, Julie Steberg, Abdullah Hared, Barney Nesseth, Brian Goihl, Erick Maki

**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
Donna Stamschror, Administrative Support Manager

**Members Excused:** Jo Anne Krier, Galen Malecha, Heather Robins, Dave Windhorst

**Call to Order:** Meeting was called to order at 9:00 am by Vice Chair Brain Goihl

**Determination of a Quorum:** yes

**Approval of the May 15, 2019 meeting minutes**

Mark Thein made a motion to approve the May 15, 2019 meeting minutes, Ruth Boudet seconded, motion unanimously approved.

**Approval of the June 19, 2019 agenda**

Jenny reported two changes to the agenda under Individual Action Items. The Audit firm did not finish their preparation of the 990 and the Charitable Organization Report.

Mark Thein made a motion to approve the June 19, 2019 agenda with the removal of Individual Action Items A and B, Meredith Erickson seconded, motion unanimously approved.

**Case of the Month – Part of Annual Report**
Director’s Report

Board Openings – We have received two board resignations. Lorena Ochoa, who is the Head Start Policy Council rep, is going back to school and will not be available for meetings. Anita Swift, who is the early childhood specialist, has resigned due to work and personal reasons. The Policy Council will meet to nominate a replacement. I have created a position description, handed out today, for the early childhood slot that Anita filled. We would like to have these filled by fall if possible. The board member job description was distributed.

Update on pending legal action - Last fall we notified you that we were being sued for a bus accident that happened in September 2015 in Faribault. We have been summoned to give a deposition in July. We are being represented by Larson King LLP out of St. Paul. They are attorneys hired by AmTrust, our insurance company.

Update on Employment Law Representation – In 2018, the board voted to change employment law representation away from Ballard Spahr (formerly Lindquist and Vennum) to Greg Griffiths from Dunlap & Seeger in Rochester after our long-time attorney retired. At that time, the Board asked staff to come back in a year with an update. We have been pleased with the level of service we are getting from Greg. He is responsive to employment law issues, and has done four trainings with our supervisors on Documentation & Performance Management, Harassment & Bullying, Hiring Practices, ADA, & FMLA.

Reminder: No meeting in July. The next meeting will be a site visit to the new Plainview transportation building in August.

*Policy Action Items
Consent Agenda

Consent Agenda Items
• May 2019 Financial Reports
• Mutual of America – May Statement
• May 2019 Head Start Credit Card Expenses Summary

Contracts, Awards & Contributions Received
• 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 & rapid rehousing throughout our four county area

Not Received
• Minnesota Department of Transportation - $2,403,680 - 2018 Application for capital funds for a transfer station in the city of Northfield

Grants & Requests Submitted or to be Submitted
• 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 - Amount TBD - Renewal of Federal / State Funds to provide weatherization services to approximately 25 households in Goodhue, Rice and Wabasha counties.
- Wabasha County - $5,000 - Funding to support the agency's Home Delivered Meals program

**Monitoring Reports & Responses**

- Minnesota Department of Human Services letter dated May 23, 2019 – Minnesota Community Action Grant / Community Services Block Grant (MNCAG/CSBG) and SNAP monitoring visit on April 24, 2019.

**Approved Purchases between $10,000 and $150,000**

- None

Mark Thein made a motion to approve the consent agenda, Ruth Boudet seconded, motion unanimously approved.

**Individual Action Items**

a) Internal Revenue Service Form 990 for the year ended December 31, 2018 – removed from agenda

b) Charitable Organization Annual Report for the year ended the year ended December 31, 2018 – removed from agenda

c) Minnesota Department of Education - $432,965 – Revised Award, funds to provide Head Start programming to 18 children ages 3-5 and Early Head Start to 20 children ages 0 to 3 for 2019-2020 program year

This is our state Head Start grant. It was on the agenda last month at a lower amount. The state changed their formula after input from us and many other providers.

Barney Nesseth made a motion to approve the Minnesota Department of Education Head Start grant, $432,965, Meredith Erickson seconded, motion unanimously approved.

d) Resolution Number 2019-3, 2019 Affordable Housing Program – HUD Recertification.

We get approved from US Dept of Housing and Urban Development (HUD) to provide secondary financing (downpayment assistance) to homebuyers who are using HUD/FHA first mortgages. There are five nonprofits in Minnesota who are approved to provide this assistance in the state. We are the only one in greater
Minnesota. We provide about 25 down payment assistance loans a year using state funds and funding from Greater Minnesota Housing Fund. This is a popular program and we run out of funds every year. We target the assistance to traditionally underserved households, including people of color, persons with disabilities, and single parent households.

Meredith Erickson made a motion to approve Resolution Number 2019-3 - HUD Recertification, Abdullah Hared seconded, motion unanimously approved.

e) Hiawathaland Public Transportation Vehicle Procurement for 2019 – Resolution Number 2019-4

The class 500 bus is for Red Wing, the class 400 vehicles will be placed in Northfield and Zumbrota. The cities are all aware and will pay the 20% match. We let them know years in advance so they can budget for it. Each county has one reserve bus. We sell decommissioned buses on govdeals.com.

Ruth Boudet made a motion to approve Resolution Number 2019-4 – Transit Vehicle Procurement, Julie Steberg seconded, motion unanimously approved.

f) Hiawathaland Public Transportation 2020-2021 Operational Grant Resolution Number 2019-5

The grant to operate public transportation is typically turned in annually. This year, MnDOT has moved to a 2-year cycle so the submitted grant will cover 2020-2021. This is for the operations as they are now. MnDOT has a separate process to request technology and expanded service, due at the end of August.

Mark Thein made a motion to approve Resolution Number 2019-5 – Transit Operational Grant, Ruth Boudet seconded, motion unanimously approved.

g) Hiawathaland Public Transportation unmet needs assessment responses and recommendations

Tracy reviewed the unmet needs survey results for all three counties where we operate public transportation. We had 718 responses. The most common reason for not using transportation was because they have their own mode of transportation. Other reasons were not aware of the service, live too far out of the city, or bag limits on the bus. 74% like the Dial-A-Ride system. 58% would like a Faribault and Northfield connection. 61% in Faribault would like weekend hours. 65% would like extended weekend hours in Red Wing. Tracy has the entire survey packets if anyone wants more information.

Changes made based on survey results: 1) Early morning routes in Red Wing are not meeting needs of those who need to get to work early. We are eliminating the 4:30 to 6:00 am routes in Red Wing and replacing with Dial-A-Ride service so we can get more people to the places they need to be more efficiently. 2) Many respondents said they were not aware of our bus service. We are expanding our
community outreach throughout the summer and will participate in multiple events such as senior housing and nursing facilities, hospitals, city council meetings, county fairs, and community celebrations. We are also scheduling individual meetings with partners who refer their clients. 3) We are using survey responses to help with re-routing in 2019 and 2020.

Based on the results of the assessment Tracy would like to request the following expansion, innovations, and personnel requests in upcoming MnDOT grants.

1. Regular scheduled weekday route service between Faribault and Northfield
2. Adding Saturday in Faribault
3. Countywide weekday Dial-A-Ride to connect communities, such as going between Faribault, Northfield, Cannon Falls, and Red Wing
4. Adding a Spanish travel trainer
5. Purchase of new dispatch software, the current software is outdated
6. Hire Mobile Repair Mechanic to provide basic maintenance services

Ruth Boudet made a motion authorize staff to apply for the six items when the application is available, Abdullah Hared seconded, motion approved

Policy Discussion Items

a) Community Development Annual Report

Continuing our series of in-depth reports from our department directors, Leah Hall presented the work of the Community Development department, which includes housing development, homeownership, energy assistance, and weatherization programs.

Leah began her presentation by giving the board an overview of projects completed to date. We have preserved 336 affordable rental units; Created 242 new affordable rental units; Rehabilitated and re-sold 32 single family homes; Rehabilitated 18 owner-occupied homes; and built 101 single family homes.

In 2018 our rental properties were home to:
- 392 children
- 87 households of color
- 199 seniors & persons with disabilities
- 238 households were receiving rental assistance

In addition, our housing projects paid $381,420 in property taxes. Three Rivers earned $306,677 in unrestricted fees/distributions from ownership of our rental properties.

Overall, we have been responsible for bringing $91,720,712 in total development investment to the communities we serve through these projects. With the projects that are in process, we now have $109,774,617 in total funds awarded to date. One of the important things we do is link public and private sectors together to
make these projects happen. Almost every project has a combination of state, local, federal and private investment.

Leah highlighted Ivy Manor, a recently completed rental project in Virginia MN where Three Rivers worked in partnership with another community action agency, AEOA, to lend them our development expertise while they brought their local relationships to the project.

Ivy Manor is an historic rehab of 41 units with a total development cost of $7,956,131.

Unique Aspects of Ivy Manor

- Partnership with the Virginia HRA & 2 Service Providers to provide units affordable to very low-income households, and to have services available to residents
- Combined historic tax credits with the low-income housing tax credit, which is more complicated, but brings in more private resources
- Converted the property off of aging steam system to high-efficiency natural gas
- Brought in an experienced property manager, Lloyd Management, who expanded to northern Minnesota for this project
- Partnered with Bremer Bank as the construction lender & Midwest Housing Equity Group (MHEG) as the tax credit syndicator

Leah also highlighted the other housing development projects that are funded and in process, including the Jeremiah Program Rochester Campus, Fox Pointe Townhomes in Austin, and Riverwood Apartments in Cannon Falls. 2019 project proposals that are in application stage are Spring Creek II in Northfield and Brewery Creek in Duluth. Three Rivers also submitted a proposal to the City of Rochester’s Parking Ramp #6 Affordable Housing RFP.

The Achieve Homeownership program identifies and addresses barriers to homeownership faced by diverse and underserved households across southern Minnesota. We have three homeownership advisors who offer culturally-tailored financial literacy, homebuyer education, and pre-purchase counseling. As buyers prepare for closing, we also offer downpayment assistance. In 2018, Achieve Homeownership had the following results: 110 households received comprehensive financial counseling services; 89 households received ‘short-term’ pre-purchase counseling services; 101 households graduated from Homestretch homebuyer education classes; Over 36 households purchased homes; 20 households accessed down payment/closing cost assistance.

2018 Energy Assistance and Weatherization Report:

- 12,611 unduplicated individuals were served by Energy Assistance (4810 households)
- 4021 individuals were provided crisis assistance (1,245 households)
- 485 individuals benefited from emergency furnace repairs
- 20 homes received full Weatherization services
- 12 additional homes received water heater replacements
b) Legislative Summary

Jenny presented a summary of the 2019 legislative session.

2019 was a budget year at the legislature, and in Special Session on May 24-25, the Minnesota Legislature passed the state's 2-year budget (starting July 1, 2019). Governor Walz has signed all of the budget bills. For the most part, the state programs that Three Rivers operates remain steady. There were no increases or decreases to Head Start or Transportation funds. There were some increases to Housing programs that Three Rivers administers and/or uses for housing projects. The following are highlights of the 2019 Legislative Session.

Community Action Grant
As part of the Minnesota Community Action Association, we were working on an increase to the Minnesota Community Action Grant. We worked with many of our local elected officials during the session, and we saw and heard support from both parties across the region (and the state). Most notably from our area, Rep. Todd Lippert (DFL-Northfield) was the chief author, and health and human services committee chair Tina Liebling (DFL-Rochester) granted his request for a hearing on the bill. Rep. Barb Haley (R-Red Wing) spoke in support of the bill during the committee hearing. In the end, the House of Representatives included an increase in their bill, but it was not in the final Senate bill. There was no increase in the final bill that came out of the conference committee, so there was no increase in the Community Action Grant this year.

New funding directly benefiting households with low incomes
- $100/month increase to the Minnesota Family Investment Program (MFIP). This is the first increase to MFIP since 1986. The program provides employment support and temporary cash assistance to children and their parents who are striving toward full-time employment.
- $30 million increase in the Working Family Tax Credit for low and moderate income workers. The expansion primarily focuses on larger increases for families with three or more children and workers and married couples without dependent children.

Funding increases to programs that serve households with low and moderate incomes:
- $3 million – Emergency Services Program, DHS – For emergency shelter for individuals and families experiencing homelessness
- $5 million – Challenge Program, MHFA – For development and preservation of multifamily and single family homes statewide
- $3.5 million – Homework Starts with Home, MHFA – Supports collaborative efforts between schools, housing organizations and local governments to identify, engage and stabilize students & their families who are experiencing homelessness
- $3.5 million – Family Homeless Prevention Assistance Program, MHFA – Assistance funds to serve adults, youth and children at risk of experiencing
homelessness
• $500,000 – Bridges, MHFA – Rental assistance for adults with serious mental illness
• $500,000 – Workforce Home Ownership MN, MHFA – For development and rehabilitation of homeownership units statewide
• $2 million – Manufactured Home Park Infrastructure Grants, MHFA – Supports manufactured housing infrastructure needs statewide
• $60 million – Housing Infrastructure Bonds, MHFA – Preservation of federally subsidized rental housing, construction of permanent supportive housing, and community land trust ownership projects statewide

Early Childhood
• $1.5 million – Child care grants, DEED and MIFs – to increase the supply of child care providers statewide
• Child Care Assistance Program (CCAP) federal compliance fix that expedites access for families experiencing homelessness
• $59,000 - Funding to include Head Start in DHS background study process
• $ 7 million - Increases to Workforce Development Scholarships for high demand occupations, including early childhood and transportation.

Building Updates

We are working with the city and county to combine the Zumbrota parcels. We need to have a hazardous materials inspection done at the vet clinic.

We have been talking to banks about financing options for the Zumbrota addition. We also talked with the Bremer Trust about possible grant funding. We would apply in September and find out in February.

Plainview is on track to be done this month and we will give you a tour at the August meeting.

We have been talking to the landlord at Faribo Town Square to talk about a long term lease on additional space next to our current space to meet our expanding needs there.

Advisory Committees

a) Head Start Policy Council – minutes from May 21, 2019 were included in the agenda packet.

b) Transit Advisory Committee – minutes from May 9, 2019 were included in the agenda packet.

Comments from the public

Date, Time and Location of Next Meeting: 9:00 a.m., August 21, 2019 in the Plainview Transit conference room, 55049 241st Avenue, Plainview MN 55964
Adjournment: Barney Nesseth made a motion to adjourn the meeting, Mark Thein seconded, motion unanimously approved.

Galen Malecha  
Chair

8/21/19  
Date

June 19, 2019 Board Minutes
Page 9 of 9