THREE RIVERS COMMUNITY ACTION, INC.
Board of Director Meeting Minutes
Wednesday, June 27, 2018
Three Rivers Community Action, Inc.
201 South Lyndale Avenue, Faribault, Minnesota

Members Attending: Brian Goihl, Jo Anne Krier, Julie Steberg, Dave Windhorst, Galen Malecha, Anita Swift, Heather Robins, Alicia Norton, Ruth Boudet, Abdullah Hared

Staff Attending:
Jennifer Larson, Executive Director
Kindra Papenfus, Chief Financial Officer
Leah Hall, Community Development Director
Jane Adams Barber, Head Start Director
Donna Stamschror, Administrative Support Manager
Tammy Vraspir, Early Head Start Coordinator

Others Attending:
Craig Popenhagen and Luke Schmidt with CliftonLarsonAllen LLP

Members Excused: Mark Thein, Jodi Johnson, Meredith Erickson, Barney Nesseth

Call to Order: Meeting was called to order by Vice-Chair Goihl

Determination of a Quorum: Quorum was met

*Approval of the May 16, 2018 Meeting minutes (agenda packet pages 4-13)

Galen Malecha made a motion to approve the May 16, 2018 minutes, Julie Steberg seconded, motion unanimously approved.

*Approval of the June 27, 2018 Agenda (agenda packet pages 1-3)

Galen Malecha made a motion to approve the June 27, 2018 agenda Dave Windhorst seconded, motion unanimously approved.

Case of the Month – None
Directors Report

Jenny welcomed everyone to the Faribault office. Faribault is our largest Head Start Center and we run Early Head Start out of the office also. We have a Senior Programs Coordinator, Home Ownership Counselor, and Family Advocate in this location. We can do tours of the office when we return from the site visit. The transit bus will pick us up at 9:45 and we will go tour the Prairiewood Townhomes that we built a few years ago.

Jenny has an offer out for the Director of Transportation and hopes to have it filled this week. Jenny has been spending time with transit staff in the Plainview office. Things are going well.

The bids for the new Plainview transit facility are due on Friday, June 29th.

*Policy Action Items
Consent Agenda

- Mutual of America – May Monthly Reports – Enclosed (Agenda packet pages 22-23)
- May Credit Card Expenses Summary – Share at meeting

Contracts, Awards & Contributions
Received

- Minnesota Department of Transportation - $232,900 - funds for continuation of 2017 service expansion
- Minnesota Department of Human Services - $2,000 - Funds to explore integration of social security advocacy and SOAR programs in the SE MN CoC region’s Coordinated Entry system
- United Way of Olmsted County - $14,580 - operating funds for Three Rivers’ Achieve Homeownership program
- Minnesota Homeownership Center - $5,000 - funds for loan denial pilot to help families become ready for homeownership
- Department of Health and Human Services Office of Head Start - Cost of Living adjustment of 2.6% to assist grantees in increasing staff salaries and fringe benefits and offsetting higher operating costs.
- Department of Public Safety - 10 car seats to distribute to low income families in our area for 2018
- Child Care Resource and Referral - $98,705.28 - Funding to support Head start programming for 16 children in community based child care centers
- Child Care Resource and Referral - $65,802.88 - Funding to provide increased staff to student ratios in Northfield Child Care Center.

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• Minnesota Department of Transportation (MNDOT) - $75,000 - Funds to establish the Regional Transit Coordinating Council for the southeast Minnesota 11 county region

Not Received
• United Way of Olmsted County - $25,420 – (new) operating funds for Three Rivers' Family Advocacy Services

Grants & Requests Submitted or to be Submitted
• Ameriprise Financial - $10,000 - funding to support Three Rivers' Volunteer Transportation program
• AARP - $15,000 - funding to support Three Rivers' Volunteer Transportation program
• Minnesota Department of Education - Reimbursement Agreement - Renewal of Child & Adult Food program reimbursement agreement for Head Start
• 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.
• Emergency Food and Shelter Program - $13,939 - Funding to assist homeless families in Goodhue, Rice & Wabasha counties
• Wabasha County - $5,000 - Funding to support the agency's senior programs
• Henkel Foundation - $5,000 - Funding to support the agency's senior programs
• Goodhue County Electric Operation Roundup - $5,000 - Funding to support the agency's senior programs
• Otto Bremer Foundation - $65,000 - Funds to support the agency's Achieve Homeownership program

Monitoring Visits & Reports
• NONE

Heather Robins made a motion to approve the consent agenda, Ruth Boudet seconded, motion unanimously approved.

Julie had a question on the Head Start financials regarding fringe benefits. Kindra said that we will always have this between wages, fringe, and where PTO falls. We often budget it in wages and it gets expended as fringe based on how the grant specifies.

*Individual Action Items

a) Audited Consolidated Financial Statements for the year ended December 31, 2017 – Presented by Craig W. Popenhagen, CPA, Principal with CliftonLarsonAllen LLP – Hand out at meeting
Craig and Luke Schmidt were in attendance to present the audit. Luke has been working on our audit since 2013 and is now a manager with CliftonLarsonAllen. Craig said the audit format has not changed. It is Three Rivers plus all of the limited partnerships for our housing projects. Craig then walked the board through the audit and explained changes from 2016 - 2017.

They have a clean opinion on the financial statements. The report on compliance is related to the testing specific to each of the programs that they select for testing. This is a clean report, no findings.

There is one finding in internal controls. The schedule of expenditures of federal awards had a federal Home Investment Partnership loan missing since 2014, when a new housing project was complete and a loan for that project was not categorized as a federal loan. The auditors did not catch it for the past three years. The schedule was amended for 2014, 2015 and 2016, and the missing loan was included in 2017. The audits from 2014-2016 are being reissued with this correction. Retroactive compliance and financial testing on the missing program showed clean results with no exceptions. CLA will re-issue 2014, 2015, 2016 audit reports with the missing loan included in the federal schedule. It is similar to filing an amended tax return.

Heather Robins made a motion to approve the Audited Consolidated Financial Statements for the year ended December 31, 2017 and the amended audits as described for 2014, 2015, and 2016, Abdullah Hared seconded, motion unanimously approved.

b) Internal Revenue Service Form 990 for the year ended December 31, 2017 – Presented by Craig W. Popenhagen, CPA, Principal with CliftonLarsonAllen LLP – Hand out at the meeting

Craig reviewed the 990 with the board. The 990 does not include limited partnerships, with the exception of Bridge Run because it is structured as an LLC under Three Rivers. Craig also walked through the form 990T which is filing for unrelated business income, for income generated by the transit program.

Alicia Norton made a motion to approve Internal Revenue Service Form 990 for the year ended December 31, 2017, Dave Windhorst seconded, motion unanimously approved.

c) Charitable Organization Annual Report for the year ended December 31, 2017 – Presented by Craig W. Popenhagen, CPA, Principal with CliftonLarsonAllen LLP – Hand out at the meeting
Craig walked the board through the Charitable Organization Annual Report, to be filed with the State of Minnesota.

Julie Steberg made a motion to approve the Charitable Organization Annual Report for the year ended December 31, 2017, Jo Anne Krier seconded, motion unanimously approved.

d) Approval of the bylaw committee recommended changes to the by-laws (agenda packet pages 24-33)

A board by-law committee reviewed the By-Laws and brought their suggestions to the board last month. The final version for approval was part of this board packet.

Ruth Boudet made a motion to approve the by-laws with the changes recommended by the by-law committee, Alicia Norton seconded, motion unanimously approved.

e) Head Start needs a motion and approval for the COLA in the amount of 43,057.00 which is an increase of 2.6%. (Agenda packet page 34)

Every year the Federal government approves a cost of living (COLA) increase for Head Start employees. COLA funds will be used to offset the increases given to staff in December 2017.

Alicia Norton made a motion to approve the Head Start COLA increase of 2.6%, Dave Windhorst seconded, motion unanimously approved.

f) Approval of the Infant/Toddler programming in Northfield (Agenda packet pages 35-47)

Jane and Tammy Vraspir (Early Head Start Coordinator) presented the outline for a plan to open a childcare room in Northfield to fill a void in a childcare partnership that ends June 30th. We have explored an opportunity to better serve our clients in Northfield by opening an infant/toddler room that will be targeted to low-income families, and include a partnership with Early Head Start and Families First who is operating a childcare partnership grant. We currently have space in the Northfield center to open two rooms that will serve 8 infants and 8 toddlers. We will use Childhood Partnership funding from Families First to help support the cost of running the childcare. We will target children who qualify for Head Start and Early Head Start, and we know there is a shortage of childcare options for these families, as few providers are accepting families who use child care assistance to pay for care. Our budget for the program is on pages 46 and 47. Families First will support the program by training staff and supporting advancement training for staff who would like to get their Child Development Associate credential. A handout titled "EHS Child Care Partnership" was handed out.
Alicia Norton made a motion to approve the Infant/Toddler programming in Northfield, Heather Robins seconded, motion unanimously approved.

g) Public Transit 2019 Grant Year Resolution # 2018-7 (Agenda packet page 48)

This is the annual grant that goes in to MnDOT at the end of July. We are reapplying for transit programming in Goodhue, Wabasha, and Rice counties. We apply for operating and capital. This authorizes us to apply for the grant.

Heather Robins made a motion to approve Public Transit 2019 Grant Year Resolution # 2018-7, Abdullah Hared seconded, motion unanimously approved.

h) Minnesota Housing Resolution # 2018-8 (Agenda packet page 49)

We operate the Regional Continuum of Care which coordinates the homelessness assistance programs. This authorizes us to accept a grant from Minnesota Housing Finance Agency do to that.

Ruth Boudet made a motion to approve Minnesota Housing Resolution # 2018-8, JoAnne Krier seconded, motion unanimously approved.

**Policy Discussion Items**

a) Building Update – Zumbrota Veterinary Clinic

The Building Committee met this morning. We have been talking about purchasing the Zumbrota Veterinary Clinic next door. The committee asked Jenny to make an offer on the building.

**Advisory Committees**

a) Head Start Policy Council – Minutes from meeting on May 15, 2018 (agenda packet pages 50-54)

Minutes from June 19, 2018 were handed out today.

Jane said they talked about approval for the COLA.

**Strategic Planning:** No update

**Date, Time and Location of Next Meeting:** There is no meeting scheduled for July. The next meeting will be 9:00 a.m., on August 15, 2018 in the Zumbrota Office, 1414 North Star Drive, Zumbrota, MN
Adjournment:
Alicia Norton made a motion to adjourn the meeting, Ruth Boudet seconded, motion unanimously approved.

[Signature]
Chair

August 15, 2018
Date