THREE RIVERS COMMUNITY ACTION, INC.
Board of Director’s Meeting Minutes
Wednesday, November 20, 2019
Three Rivers Community Action, Inc.
1414 North Star Drive, Zumbrota MN
9:00 to 10:15

Members Participating: Meredith Erickson, Ruth Boudet, Brian Goihl,
Heather Robins, Galen Malecha, Jo Anne Krier, Jodi Johnson, Julie Steberg,
Abdullah Hared

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
Vicki McKay, Human Resources Director
Donna Stamschorr, Administrative Support Manager
Krystal Dube, Administrative Assistant
Randi Callahan, Family Advocacy Services Coordinator

Members Excused: Erick Maki, Barney Nesseth, Mark Thein, Dave Windhorst

Call to Order: Meeting was called to order at 9:00 am by Chair Galen Malecha

Determination of a Quorum – Quorum was met

Approval of the September 18, 2019 Meeting Minutes

Brian Goihl made a motion to approve the September 18, 2019 meeting minutes, Julie Steberg seconded, motion unanimously approved.

Approval of the November 20, 2019 Agenda

Meredith Erickson made a motion to approve the November 20, 2019 agenda, Abdullah Hared seconded, motion unanimously approved.

Case of the Month – Lynette Engelhardt Stott, Energy Programs Coordinator

Jenny introduced Lynette to the board. Lynette oversees the Energy Assistance (EAP) and Weatherization programs. Energy Assistance is our
biggest program client-wise. For many, it is the entry point to our agency, and from there, we introduce them to the rest of our programs. Lynette shared a story about one of our EAP recipients who just passed away. She was 101 years old. The EAP benefit she received allowed her to stay in her home and freed up her Social Security income for food, medicine, and other necessities. The EAP grants run from $200 up to $1400. We have approved 2,195 applications so far this year.

Director's Report

Jenny reminded the Board that we emailed them a director's report on October 15, 2019, since there was no meeting in October. The October report included:

1. Visits with elected officials - We have invited several of our state representatives and senators to visit our office locations before session starts in February.

2. New housing in Austin - Construction is complete on the Fox Pointe Townhomes in Austin, and the units are fully occupied (with a waiting list). The City of Austin is already asking when we can partner on another project there. We are working on scheduling an open house event for our project partners, neighbors, and supporters.

3. Homeownership forum in Rochester - On September 24th, in Rochester, Three Rivers hosted an event in partnership with the statewide Homeownership Opportunity Alliance to talk about strategies for creating more homeownership opportunities for underserved populations, including households of color. The event was well attended by lenders, real estate agents, builders, nonprofits, community leaders, and elected officials.

4. Head Start review - The federal office of Head Start will be reviewing our Head Start program the week of October 23rd. New this year, the reviewers will be conducting the review via phone, rather than in person.

5. Transit workers needed - Once again, we are finding ourselves short of transit workers, particularly drivers. We also have a manager position open. If you know of anyone who may be interested, please send them to our website for an application.

6. MN Council of Nonprofits conference - The statewide nonprofit conference is being held in Rochester on October 24th and 25th. I will be attending, as will several of our staff and at least one board member.

7. Next meeting - Our next board meeting is scheduled for Wednesday, November 20 at 9:00 a.m. in Zumbrota.

Jenny presented the November director's report:

1. Board materials online – We have been working on setting up a web portal for board members where you can access current and past board packets, board minutes, and organizational information. There will be a demonstration of this at the meeting today, and Donna will work with each of you to set up your online access.
2. *Bus Storage in Red Wing* – The City of Red Wing owns the bus storage facility that we have been using. They have purchased a different building downtown and would like to remodel that building and move us there. The City Council has approved the move, and we are working with MnDOT to approve as well. The move will happen in mid-2020 after construction on the building is complete.

3. *Legislative Visits* – We are continuing to invite our state legislators to visit our various office locations before the next legislative session. We have completed three visits (Sen. Draheim, Rep. Pierson, and Rep. Sauke) and have two more scheduled (Rep. Lippert and Rep. Liebling). We will continue to reach out to others over the next few months. Please let me know if you have any interest in joining us for any of these visits.

4. *Board Vacancies* – We are working on filling two Board vacancies. In order to give us more options for recruiting, I would like to look at the definition of the At-Large seat in the by-laws to remove the geographic restriction. I would propose that we convene the by-law committee to review and bring the suggested change to a future board meeting.

5. *Opioid Response Team in Rice County* – A collaboration of organizations in Rice County applied for and received funds to launch an opioid response program in Rice County. A lead staff person has been hired (housed at Mayo in Faribault), and other participating agencies will provide wrap-around support services to the person with the opioid use disorder and their family. Three Rivers staff are participating in the project, providing referrals and assistance with housing case management services. The project went live at the beginning of November and is now taking referrals.

6. *Executive Director Review* – We will hand out forms you can complete for my review in December. You can return them to Donna, and she will compile them anonymously prior to the December meeting. Please let me know if there is anything you need to help you complete the review. Galen asked to allow 15 minutes at the next meeting for the Executive Director’s review.

7. *Customer Satisfaction Survey* – We are currently receiving responses to our customer satisfaction survey that went out via email and paper to households who accessed our programs in the past year. We will have the results for you in December.

8. Jenny had one additional item that was not in the agenda packet. Tomorrow the Minnesota Housing Finance Agency is acting on their funding recommendations. Spring Creek Townhomes II in Northfield is getting funded. We will add 32 townhome units. They are also giving us funds for the Homeownership Program. We have had water intrusion issues at Clover Patch Apartments. We are receiving 1.2 million to rehab that project.

*Policy Action Items*

_Consent Agenda Items_

- September & October Financial Reports
- Mutual of America – September & October Statements
- September & October Head Start Credit Card Expenses Summary – _Share at Meeting_
**Contracts, Awards & Contributions**

**Received**
- Goodhue County Family Service Collaborative - $5,000 - Funds to prevent or end homelessness for families with young children in Goodhue County
- Minnesota Department of Transportation - Amount $68,000 - Dispatch Software replacement for 2020
- Enterprise - $40,000 - HUD Section 4 funding to support staffing costs associated with the acquisition and rehabilitation of Ridgley Park Apartments
- Minnesota Department of Transportation - $327,600 - Capital Request for four Replacement Buses for 2020 (three awarded)
- Red Wing HRA - $3,691 - funds for case management of PSH (Permanent Supportive Housing) clients
- Minnesota Department of Transportation - $266,660 - Route Expansion for 2020 - Faribault Saturdays noon-5pm route, weekday Faribault/Northfield route

**Not Received**
- Minnesota Department of Transportation - Amount TBD - Personal Computer Hardware for transportation staff

**Grants & Requests Submitted or to be Submitted**
- 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

**Monitoring Reports & Responses**
- Letter dated 8/23/2019 from SEMAAA – 8/22/19 Monitoring visit

**Approved Purchases between $10,000 and $150,000**
- $22,600 – Schumacher Excavating – Demolition of former veterinary clinic at 1412 North Star Drive

Jenny reviewed the consent agenda.

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

**Individual Action Items**

a) Jane Adams Barber is the approved Identified Official with Authority to grant users access to EDIAM (Education Identity and Access Management)

Jane said the EDIAM is what she uses to enroll families in pathways II scholarship funding, which allows us to invoice the state. As the Identified Official with Authority she can give access to someone on her staff to use EDIAM also.
Brian Goihl made a motion to have Jane Adams Barber be the Identified Official with Authority to grant users access to EDIAM. Ruth Boudet seconded, motion unanimously approved.

b) Approval of Purchase Agreement for Knollwood Apartments, Pine Island

Leah reviewed the document that was in the board packet. This is 24 units in two buildings at 507 5th St SW, Pine Island. Knollwood Apartments is an affordable housing complex that complies with rules/regulations set-forth by the USDA Rural Development. The seller has requested the ability to sell the property, and must advertise exclusively to non-profit entities for 180 days.

Staff is proposing to preserve these affordable housing units that currently serve persons with disabilities and households with very low incomes in the competitive Pine Island rental housing market. We are asking for board authorization to enter into a purchase agreement, allowing us to move forward to apply for financing for the project.

Project Type: Acquisition Rehab / Preservation of Federally Subsidized Housing Units
Of the 24 units, 18 of them have rental assistance available that allow the tenant to pay 30% of their income.

Purchase Price: $1,154,500 + the reserves at $202,000 – the exact amount will be locked in when the project is funded and the USDA receives the transfer application. Three Rivers will assume the existing USDA mortgage which is currently $546,028 and apply for additional funding to cover the remainder of the acquisition expense including the reserves, rehabilitation costs and project soft costs.

Earnest Money: $15,000 Additional Financing: When the total project budget is ready, staff will provide the board with an update and a request for action to apply for the balance of the acquisition and rehabilitation expenses through the Minnesota Housing Finance Agency’s Request for Proposals (RFP) due in June, 2020.

Brian Goihl made a motion to approve the executed purchase agreement with Knollwood Apartments seller, ELKEN, with the contingencies in place as described above and a purchase price of up to $1,154,500 plus the balance of the reserve account, Abdullah Hared seconded, motion unanimously approved.

c) Fox Point Borrowing Resolution # 2019-11

Leah said Fox Point Townhomes are ready for final closing. The project is complete and fully occupied. This resolution outlines your reelection of your approval for us to take on a permanent loan from Minnesota Housing Finance Agency. The loan is $770,000 from Minnesota Housing. The interest rate is 4.25%. This is one of several funding sources that we have lined up for permanent financing. We have some deferred financing from

November 20, 2019 Board Minutes
Page 5 of 7
Minnesota Housing as well as tax credits.

Heather Robins made a motion to approve Resolution 2019-11, Meredith Erickson seconded, motion unanimously approved.

d) Personnel Policies – Changes for Review/Approval by the Board of Directors. A link to the entire Employee Handbook was emailed to the board and paper copies available at the meeting.

Vicki McKay is our Human Resources Director. She has spent the last year reviewing and updating our personnel policies. Vicki provided a summary of changes in the packet. We worked with Gregory Griffiths, our employment law attorney from Dunlap and Seeger in Rochester, who reviewed the proposed final policy changes.

Abdullah Hared made a motion to approve the proposed changes to the personnel policies, Ruth Boudet seconded, motion unanimously approved.

e) Appoint a nominating committee to fill board vacancies and nominate officers at the Annual Meeting in January.

The nominating committee introduces a slate of candidates prior to the Annual Meeting in January. Chair Malecha named members to the Nominating Committee: Brian Gohil, Heather Robins, Ruth Boudet, Jo Anne Krier, and Galen Malecha.

Policy Discussion Items

a) 2020 DRAFT Operating Budget for Discussion

Kindra Papenfus presented the draft operating budget available in the packet and projected on the screen at the meeting. The purpose of the draft is to give the Board a chance to review any changes and ask for any clarifications prior to the final budget in December. Overall, we are expecting about a 5% increase in revenues and a 5% increase in expenditures. Last year and the year before we had always been budgeting PTO in wages but we report it as fringe. We are now budgeting PTO as fringe. Space costs and utilities are up as we add space in Faribo Town Square, build an addition to the Zumbrota office, and lease the garage space in Red Wing for transit. Some programs will have staffing additions as we account for program expansions.

Jenny and Kindra stated that this is a budget and can change throughout the year. As Kindra mentioned at the fiscal training prior to the meeting, we operate 40 programs with 60 to 70 sources of funding, most that do not run on a calendar year, and trying to put them into something that is meaningful on a 12-month basis can be a challenge. In December, the final budget will look very similar to this but not identical. Kindra responded to questions. Jenny added that our health insurance renewal did not increase this year. Kindra asked member to contact her if they have questions between now and the December meeting.

b) Update on Legal Action
Jenny gave the board an update on pending legal matters.

c) Paperless Board Meetings

Donna and Krystal gave a demonstration of the “Board Member Page” of the website, which is accessible to board members only with a username and password. The page has all the items currently in the board manual. Members can access the board agenda packets and board day handouts, both current and past. Let Donna know if there are other things you would like added to the page.

Advisory Committees

a) Head Start Policy Council – Meeting minutes from October 15, 2019 were in the agenda packet

Jane gave an update on the Federal Head Start review that occurred in October. It was done via telephone conference call for four to five hours a day for three days. It went very well. They will be here in person next year.

b) Hiawathaland Transit Advisory Committee - Meeting minutes from November 7, 2019 were in the agenda packet.

Tracy said MnDOT is doing multiyear grants. We applied for 8.4 million for the operation grant and received 8.1 million. It includes a Spanish Travel Trainer and a mechanic. We received three buses. We applied for and received $8500 for new dispatch software. Based on the unmet needs survey, we applied for Faribault Saturday service and a Northfield-Faribault route. Both were funded.

Jenny gave an update on the Winona Transit system.

Comments from the public: None

Date, Time, and Location of Next Meeting: 9:00 a.m., December 18, 2019, Three Rivers Conference Room, 1414 North Star Drive, Zumbrota MN

Adjournment

Abdullah Hared made a motion to adjourn, Ruth Boudet seconded, motion unanimously approved.

[Signature]

Board Secretary

December 18, 2019

Date