

1909 Central Parkway SW
Decatur, AL 35601
Phone 256.355.7843
Fax 256.355.7953
www.capna.org



Community Action Partnership of North Alabama, Inc.
Board of Directors Meeting
April 27, 2017
Central Office

David Mathews, Board Chair opened the meeting at 8:42 and welcomed those in attendance and acknowledged Benita Owens from Joe Wheeler Co-Op. Cassandra Lee, Lawrence County Community Representative resigned due to work schedule and Benita is considering board membership.

Board Members Present: Rise Simmons, Jackie Peek, Joe Holmes, David Mathews, Sheryl Marsh, Allen Stover, Jennifer Taylor, Tim Littrell, Tommy Praytor

Board Members Electronically: Heather Smith

Board Members Absent: Bruce Jones, Leigh Frances, Dawn Owens, Tim Thrasher, Pat Gilbert, Bruce Gordon, Earlene Johnson

Advisors Present: Paul Lott, Pat Busing, Jonathan Watson, Corey Williams

Advisors Electronically: Stephanie Pitts

Advisors Absent: Matt Holmes, Shelly Waters, Marcie Hill, Tricia Culpepper, Barbara Sittason

Legal Counsel to the Board: Bingham Edwards

Guest Present: Benita Owens

Staff Present: Kim Dodd, Dave Truitt, Stephanie Johnson, Angela Ingram, Sharalee Little, Karen Jared, Venessa Leffers, Alicia Higginbotham, Lorrie Mauro, Edie Dugger, Candy Ayers, Amber Jones, Tamisha Sales, Tracy Clemons, Nathan Curry, Laurie Lincoln-Swaim, Holly Hicks, Allison Speegle, Michael Tubbs

Introduction of Staff and Guests

Michael Tubbs introduced all staff and guests and shared that Jonathan Watson is becoming co-counsel to the Board of Directors. Amber Jones a part-time employee doing work with the East Decatur Community Association was introduced.

Our Mission

The Community Action Partnership of North Alabama, a results-driven, non-profit business is committed to reducing or eliminating the causes and consequences of poverty for families and communities.

Special Recognition – Decatur Daily

Tabled. Representative was unable to attend.

Roll Call to Establish Quorum

Allison Speegle conducted roll call and a quorum was established with 10 of 18 members present either in person or electronically.

Recite Mission of Agency

Joe Holmes led all in reciting the mission statement.

Approve February 21, 2017 Minutes

Minutes were received electronically prior to the meeting. David Mathews opened the floor for questions and/or corrections. There being no corrections David Mathews asked for a motion to approve the minutes as received. Jackie Peek motioned. Rise Simmons seconded. Motion approved with roll call vote.

Financial Committee Report and Approval

March financial statements were received electronically prior to the meeting. Fred Harvey, CFO, gave a brief review of the reports. Fred stated that in the past the two previous months of financials have been included in information received electronically. The Financial Committee meets on a monthly basis and Allison forwards the financials to all board members/advisors after each meeting. As a result Fred stated that we will only provide the most recent month of financials at the board meetings.

Financial Information Dashboard

This report is a dashboard that reflect where the agency stands on revenue, expense, unrestricted net cash, net surplus (deficit), types of revenue/expenditures/assets and liabilities. The Average Expenses Per Day (current YTD \$139,105 as compared to \$158,374 in 2016) are down due to the Montgomery development projects. The second page of the report is a chart that compares the current year ratios to the previous 5 years.

Balance Sheet –Consolidating Financial Position

The first column is the parent company. The other columns are either consolidated partnerships the agency is the managing general partner in or subsidiaries wholly owned by Community Action. There are no major changes in this report from the prior meeting. The current year to date net income is \$304,000.

Statement of Revenues and Expenditures

The first page reflects all the funds of the agency. The following pages are the breakdown of the individual line items reflected on summary page. Fred reminded all that this report is representative of the agency's calendar year of January through December.

Statement of Revenues Public/Non-Public

Public support funds are any revenues that are received from federal, state or local governments. The current YTD actual total revenue is \$9,643,931.00 as compared to \$12,656,948.73.

Statement of Activities – Expenditures - Combining Schedule of Activities w/Budget

This report lists all funds of the agency. The ending net assets reflects where each fund is at the end of the month. This also includes any prior year balances brought forward.

Paul Lott asked about the (\$265,717.52) deficit for CDBG. Fred stated this program stems from 2011 tornado assistance fund that helps people relocate and make repairs to their homes. He stated this program has been difficult to operate and that we have incurred cost that we will not be able to re-coup. The program guidelines do not allow for reimbursement until the work has been completed. During this time we are incurring expenses. Under normal circumstances Fred stated he would enter a receivable but this grant is different because he is uncertain how much or when we will get a refund. Since we do not anticipate receiving the full the full amount to cover the deficit, the shortfall will be covered by NeighborWorks funds. ADECA keeps changing the rules of what is required. Hopefully program should wind down within the next 3 months.

Statement of Revenues and Expenditures Head Start 12 County Grant

The second line of the heading refers to the specific grant and includes the percentage of the budget. The total expenditures for each grant are reflected at the end of each report. Fred stated that as long as the percentages are in range or a little below things are in good shape and for line items that are over budget that adjustments can be made.

Statement of Revenues and Expenditures – EHS Madison/Limestone

Budget should be at 16% of the program year and is currently at 10.26%. Total expenditures are \$95,874.13.

Statement of Revenues and Expenditures – Madison/Limestone

Budget should be at 8% of the program year and is currently at 2.90%. Total expenditures are \$127,975.45.

Statement of Revenues and Expenditures – Lauderdale County

Budget should be at 50% of the program year and is currently at 41.53%. Total expenditures are \$1,206,235.23.

Statement of Revenues and Expenditures – Pre-K

Budget should be at 50% of the program year and is currently at 87.56%. Fred reminded all that once these funds are spent then funds are shifted to regular Head Start.

Statement of Revenues and Expenditures – Home Visiting Grant (PAT)

Budget should be at 50% of the program year and is currently at 75.13%. Total expenditures are \$186,271.22.

Statement of Revenues and Expenditures – DHR-EHS

This is contract not a grant and we are paid a flat dollar amount per child. The current contract started the first of March and goes through September 30th, followed by a 12 month period starting October 1st followed by another 3 month period.

Expenditure Journal Credit Card Expenditures

Report reflects any transactions that took place during the month of March. American Express is only credit card the agency has, all others are store issued. The American Express is used primarily for hotel and airfare for conferences. The small expenditures such as Office Depot for 0.11 are allocated expenses among programs. Wright Express is fuel purchases for the agency vehicles.

Posted General Ledger Transactions

Report is for accounts payable transactions for the month of March. The first report is sorted by dollar amount. The second report is any vendor that had more than one payment during the month. Any utility company with an "A" is a utility assistance award paid to the utility company on behalf of the client.

The floor was opened for questions/discussion on financial report as presented. David Mathews asked for a motion to approve the financial report. Allen Stover motioned. Sheryl Marsh seconded. Motion approved with roll call vote.

2016 Audit Update

Fred Harvey stated the auditors are on site for approximately three weeks working. They will be meeting with the financial committee during the May meeting and will attend the June Board of Directors meeting.

CLASS Outcomes PY 1617

A copy of the CLASS Outcomes report was received electronically prior to the meeting. Edie Dugger gave a brief summary of the report. The Classroom Assessment Scoring System (CLASS) is an observation instrument that assesses the quality of teacher/child interactions which includes emotional support, classroom organization and instructional support. The goal is to meet or exceed the median. Edie stated the focus for this year is the emotional support which is currently at 6.27 out of 7. Instructional support observations are conducted three times a year and these results will be reported on in June.

Teaching Strategies Gold is the assessment tool used to measure the outcomes for Children. This tool focuses on the teacher interaction with children. Children are assessed on skills. Teachers document how the child responds to activities and scores the child which is also broken down into age brackets. The results from the observations are used to determine what professional development training will be conducted for Pre-Service. The Family Services staff have been partnering to do transition meetings with families whose child(ren) will be transitioning to kindergarten in the fall.

12 County DRS

A copy of the letter from the Administration for Children & Families was received electronically prior to the meeting. Kim Dodd, Children Services Director, gave a brief review of the letter regarding the CLASS program review that was conducted on February 1, 2016. The reviewer visited a 4 year old classroom and during the visit one of the children got sick which required the staff to clean up. While this was being done something else happened in the classroom and the reviewer said the staff did not react to the children. As a result we were cited and received a deficiency letter in May 2016 for Standards of Conduct. On June 9, 2016 we took the steps to correct the deficiency and on April 10, 2017 David Mathews received a letter of re-competition. Kim assured the board we will re-compete for our 12 county Head Start grant. She stated she thought this was a healthy practice and we will re-write and not lose our grant. The grant will be open for competition and the award announcement is expected in July 2018. Tim Littrell asked for more clarity regarding the problem in the classroom. Kim stated that the Teacher and Teacher Assistant in the classroom with 18 children did not react to some of the children's behavior and engaged in negative child guidance. During the observation one child approached the observer and immediately started hitting the reviewer with a 6 inch toy paddle. The reviewer said the classroom was chaotic with many children yelling and crying and children being unattended in play areas. Kim said we preach staff must be on their "A" game every day. This particular child had already been referred to Mental Health. The child is non-English speaking and the weekend prior his grandmother who had been the primary caretaker passed away and there was also a new baby sister that was a couple of weeks old. Kim stated she believes the teacher felt bad for all the child was going through and may possibly have let him get away with some things that normally would have been corrected. Michael Tubbs stated there was also a substitute teacher in the classroom that same day which he referred to as the perfect storm. He stated that if you take 18 kids and put them in a room you will probably have one act up and that 4 year olds will act like 4 year olds but also shows how just one classroom can have a significant impact on the program and now all of the classrooms in the 12 county area are marked. The staff cited is a B.S. degreed Teacher and is adding value in a classroom today. This is a Pre-K classroom and she was highly skilled and is doing well. Mike stated the re-competition award will be 7/2018 and we will continue to receive funds to operate into 2018. If other programs compete we will stand in competition with that and we will continue to serve families and children. Policy Council was informed last week and all staff will be

informed later today. He stated that we did challenge the report because we did clear the deficiency but was informed that if we had not cleared the deficiency the program would have went to a federal grantee.

Jennifer Butler-Taylor asked when the application process closes for others to compete to which Kim stated she does not have that information yet. Kim said there are 7 things that put you on DRS: deficiency, audit issues, USDA, CLASS scores, facility issues, health and safety issues. David Mathews stated this is for information purposes only and does not require a vote.

Waiver of Notice - ByLaw Revision

A copy of the waiver notice was received electronically prior to the meeting. Michael Tubbs stated that something emerged this week and it calls for us to ask for a change in the By Laws. Currently the By Laws state that we are a developer of housing in the State of Alabama and that we do affordable housing in Alabama. When the By Laws changed in 2007 we wrote in Alabama, which it did not state prior. Mike stated we have an opportunity to do a project in Georgia with David Morrow who needs a nonprofit and also thinks it will score well on GHFA application. In order for us to move forward on this we need to amend the bylaws. Bingham Edwards has been very involved in this process and wrote the waiver. Bingham Edwards stated that in the By Laws, Article One states the name of the corporation and Article Two states the purpose followed by 14 additional paragraphs that give greater detail of what the purposes are. Bingham stated there are 4 places that state the work will be done in Alabama. Article 13 states how the bylaws can be amended by a 2/3 vote of those present at a meeting and if they have received by mail or waive in writing notice of receiving by mail the amendment. Bingham read the language of the waiver regarding Article 2 and stated each board member present must sign the waiver if it is approved. The proposed revisions eliminate the words "in the State of Alabama and "of the State of Alabama". Tim Littrell asked if this organization has operations outside the state of Alabama currently and what is the reason for operating outside the state of Alabama. Michael Tubbs stated we currently do operate outside the state of Alabama and explained this preceded the changes to the by Laws in 2007. Mike stated there is a limited number of awards in Alabama and the Housing Committee has asked us to consider other states. It will also add to our portfolio and prop up our Housing Business Unit and it will also allow us to receive unrestricted non-federal revenue. Mike stated we currently have operations in 28 Alabama counties and we put money into the parent company from the current housing deals which essentially produces revenue for the agency. The floor was opened for any additional questions. Bingham Edwards stated this does not require a roll call vote that it is approved by signatures on Waiver of Notice.

Housing Business Unit

David Truitt stated a copy of the resolutions for approval were received electronically prior to the meeting. He stated this means our Housing Business Unit is alive and well and projects are wrapping up and others are kicking off.

Dave stated the resolution for Amanda Loop and Opportunity Gardens are borrowing resolutions authorizing Michael Tubbs to secure permanent financing with FAHE (Federation of Appalachian Housing Enterprises).

The resolution for Lanier Place I & II are borrowing resolutions authorizing Michael Tubbs to secure permanent financing with Community Housing Capital, Inc.

The resolution for Lanier Place III is a borrowing resolution authorizing Michael Tubbs to secure construction financing with FAHE.

The general resolution for Lanier Place III is authorizing the deed from the City of Montgomery to be granted in favor of the Partnership and also authorizing the Partnership and Michael Tubbs to enter into such contracts and agreements as necessary for construction, marketing, renting and managing.

The general resolution for Wellington Way is authorizing the Partnership to enter into a development agreement and apply for state and federal tax credits in the state of Georgia for a 72 unit affordable housing project development. Dave explained the Wellington Way is a deal in Georgia which would get all of our eggs out of Alabama. He stated that if we do not get deals it is a lean year for the Housing Business Unit. This gives us the opportunity to receive another deal for a 72 unit project. Project does not have HOME funds but the State of Georgia offers a state tax credit which will give additional equity. The absence of HOME funds allows for larger projects. This would be a split project with David Morrow and he would help us manage this project from Georgia if awarded. This application would have to be submitted by the end of May and the next board meeting is not until June. If approved it will allow us to move forward with necessary agreements to submit for the project.

The Incumbency Certificate is authorizing Michael Tubbs to sign the Mortgage and Repayment Note for the City of Montgomery.

The Mortgage Modification Agreement is executing a mortgage with the City of Montgomery for Lanier Place III.

The Home Funds Repayment Note is executing a repayment note for the HOME funds provided by the City of Montgomery for Lanier Place III.

Bingham Edwards stated that it is unusual to serve on a Board of Directors where this type of activity is taking place in a nonprofit. Bingham stated that back in the early 70's former CEO Tom Wood saw a possibility of not only having fundraisers through contributions and grants to help poverty in Community Action area and helping students in schools to progress in their education. He saw the opportunity of housing expanding to help get affordable housing, An investor could invest money in housing and take a tax right off as part of their incentive to take risk, but they had to do so in conjunction with an organization that qualifies under the law. He sought out people in Decatur who would be willing to partner with the agency and get this tax right off. As soon as people understood it he had a lot of people that wanted to do this. This Community Action started doing these projects. Some other Community Action agencies have done this but most did not understand it or were afraid of it. This agency through Tom's leadership and Mike's has seen our purpose of affordable housing. The most important thing you can do as a board member is serve on the housing committee. It educates you about the housing area and makes you feel better about voting on these types of resolution. You are voting for Mike to sign that binds Community Action. You have liability in doing due diligence. What you are doing in your service on this board you are taking on some liability but you are also allowing people to get into a home they can afford and it is a wonderful thing. Through his leadership of this organization and foresight we have so many people that will have places to take their children at night and be safe. It not only helps their family but the agency with the profit which will allow us to enter into more projects.

Michael Tubbs said we have a lot in the pipeline. We do not approach these lightly. We have good partners and a housing committee of the board. We take the housing role seriously because it does put risk on the agency but fits with the mission.

Fred Harvey said to make sure all properties are in compliance we have 2 staff that have credentials to ensure all are following the regulations. We are monitoring what is going on at all times. The borrowing resolutions are loans that are to be paid back through the cash flow from properties. The incumbency certificate and mortgage modification agreement is considered a soft mortgage and fully forgiven at the end of the compliance period. All the assets that are ours now will have no mortgage at the end of the compliance period.

Paul Lott stated that we are also a chartered NeighborWorks member. David Mathews stated that he is well versed on these type projects. It is some of the best housing some communities have. Tenants pay rent and people take pride. Great diversification for the agency. Just because you apply does not mean you will get it. David stated that he has known David Morrow for years and he is a solid partner if we are fortunate to get it.

David Mathews asked for a motion to approve all of the resolutions as presented. Jackie Peek motioned. Sheryl Marsh seconded. Motion approved with roll call vote.

Approve Resolution – NeighborWorks

A copy of the resolution was received electronically prior to the meeting. Michael Tubbs stated this is a requirement by NeighborWorks for them to release funds and the Board gives permission for us to accept grant. The floor was opened for questions. David Mathews asked for a motion to approve the resolution as presented. Sheryl Marsh motioned. Allen Stover seconded. Motion approved with roll call vote.

Customer Satisfaction Survey Dashboard

A copy of the Customer Satisfaction Survey was received electronically prior to the meeting. Laurie Lincoln-Swaim reviewed the customer satisfaction survey for February 17-April 24, 2017 timeframe which focused on positive comments.

Results Report – CDBG Disaster Recovery

Laurie Lincoln-Swaim stated the results report focused on an April 27, 2011 tornado victim. Due to time constraints the video link of the results report today will be forwarded to all board members/advisors. Laurie stated that funds from CDBG were able to assist this family. On average it takes 25 years to get to a new normal and this family has just found out they still have some health issues to overcome. Laurie stated the disaster recovery goals/outcomes were:

Family – That individuals and families with low incomes live in safe, healthy, energy efficient homes.

Agency – Partnership with ADECA to improve communities where disaster has impacted low income people.

Community - Replace blighted, hazardous and unsafe, storm affected housing stock in communities where people with low incomes live who are impacted by disaster.

Community Needs Assessment Update

Laurie Lincoln-Swaim stated this committee has been working hard. Goal is to see what the top 5 or 6 community needs are, the top 5 or 6 individual/family needs, clarify which current partnerships should be strengthened or abandoned, determine the pool of potential new community partners to build capacity and fulfill our mission, seek validation for strengthening or abandoning current agency programs. Currently working to get the electronic survey finalized but have a paper survey available. There are two surveys available: community and professional. Laurie stated that she will be sending a link of the survey to the board and advisors and asked each one to review and submit feedback on the electronic version. The electronic version of the survey was shown.

Laurie Lincoln-Swaim reviewed the timeline that Holly Hicks made that provides a sense of when the strategic plan will be ready.

Executive Director's Report

Michael Tubbs asked all in attendance to review the Executive Director's report for highlights of each program of the agency. He noted the following highlights from the report:

- This week is Volunteer Month. We had a presentation to make to the Decatur Daily but they were unable to attend today's meeting. Volunteers are being honored all week at the Meals on Wheels & More kitchen.
- NeighborWorks Week will be in June. He stated that we would like to have board members/advisors involvement. June 5th will be celebration day.
- Print version of the newsletter and annual report are available at today's meeting for anyone that would like a copy.

David Mathews opened the floor for any additional business that needs to come before the Board of Directors. There being no further business David thanked those for their attendance at today's meeting and stated the next Board of Director's meeting is June 22nd which will require audit approval along with Head Start grant approvals. The meeting adjourned at 10:20 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board.

David Mathews, Chair

Tim Thrasher, Secretary

Reviewed by Michael Tubbs, CEO