

Child and Family Opportunities (CFO)
 Washington Hancock Community Agency (WHCA)
 Meeting of the Boards of Directors, August 29, 2017

Called to Order: 5:19 pm		
I. Business Meeting		
<p>Roll call (CFO) – Charles Rudelitch, Charley Martin-Berry, Walter Kumiega, Lori Schneiders, Chris Huh Not Present: Charlie Harrington, Elizabeth Erlenbach, Roll call WHCA) – Jonathan Thomas, Michelle Beal, Martha Beathem, Brent Hartford, Bunny Richards, Ruth Sousa, Barbara Clark, John Harris, Ron King, Betsy Fitzgerald, Becky McKenna Not Present: Vanessa Young, Catherine Betz, Angela Rackliff Staff Present: Pat Pcolar, Joe Perkins, Anne Ossanna, Kevin Bean, Mark Green, Stacy Brown, Jennifer Trowbridge, Bobbi Harris, Melissa Mattis</p>		
II. Items for Board Action (CFO – Walter Kumiega)		
<p>1. Consent Agenda: Approval of Board Meeting Minutes from July 28, 2017 CFO Board Meeting Discussion: Action: No discussion or objections. Approved.</p> <p>2. CFO Audit Presentation – Steve LeClair & Michael McKenney Discussion: Presentation of 2016 Audit handed out. Management Letter and Governance Communication Letter were included in the hand-outs. The agency received an unmodified opinion with no material adjustments needed, which speaks to Stacy’s leadership in the Finance Department. Assets: Property & Equipment dropped about \$214K from prior year due to depreciation, sale of the Stonington building, and a small increase in playgrounds leading to the net total. The investment balance increased from the prior year due to an increase in Unrealized Gains. Receivables dropped due to better management of receivables in 2016. Liabilities: Liabilities went up by about 8%, with the largest increase due to Deferred Revenue; Accounts Payable down about \$38K, mainly due to timing; debt down due to mortgage pay-off, with balance being the Line of Credit. Net Assets: Net Assets show a total loss of \$282K for FY 2016, which was about a 9% decrease in total Net Assets. Current Ratio at November 30, 2016 was .5 due to lower cash balance and accounts receivable, and higher deferred revenue. Anything above a 1 is good, banks like a minimum of 1.3 for a non-profit. Doesn’t include Board designated investments. Income Statement: Revenues up about \$99K from prior year. Expenses increased by \$15K over prior year. Program expenses were 88% of the activity, which is within a good range for social services organizations. Management Letter: Meets requirement of explaining Auditor’s responsibility in regards to internal controls. They do not give an opinion on these as they do the financials. The most serious finding is a material weakness; there were none. There was a significant deficiency in the CACFP program with the determination of eligibility classifications in Centers. Out of 40 applications tested, they found errors in 5 leading them to have to determine it a significant deficiency. There needs to be a review of applications by a second person. Recommend an update to the travel reimbursement policy to clarify process; recommend better documentation of gift card disbursement; recommend completion of the Fiscal Policies and Procedures Manual to comply with the new Uniform Guidance issued by OM, include Title 45 Part 75 as per DHHS. Also to consider, in two years (FY 19) Net Assets will be required to be broken down into Donor Designated or Undesignated, with more disclosures required. www.FASB.org has good information on their website Governance Communication Letter: Required to disclose estimates used in preparing the financial statements. Depreciation is an estimate, as is the functional allocation of</p>		

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expenses.

Action: Lori moved to accept the audit, Charles seconded. Motion passed.

3. Resolved, to approve the Head Start Budget and Grant Submission for FY 2018.

Discussion: The budget is in your packet. Head Start grant is based on a 5-year option (guaranteed for 5 years); we are going into the 3rd year. A serious deficiency would result in a Designated Renewal Status (DRS), which would mean having to re-compete, otherwise it is an application for another 5 year contract. We are not in DRS. It includes program options (center, home, etc.), management structure, goals and objectives, and budget. Had 3 major goals and we have made progress on all. The grant states that the management structure is not changing with the merger, which Boston clearly stated they wanted to see. There were not many changes this year. If you have any questions please feel free to speak with Melissa.

The only increase in funding is due to a 1% COLA from the federal award, which the Board approved to apply across the agency. The budget includes Head Start and Childcare funds. Contractual services is down. This is for the contracted mental health services, which is down due to lower enrollment. Melissa renegotiated rents and Bucksport agreed to waive the rent there. Utilities were increased due to the expectation of a more harsh winter. Some costs were lower due to the merge (insurance and telephone). Travel is down due to enrollment. Overall not much changed in the budget, but the classifications changed. Indirect is about 11% and the programs are expected to break even.

Action: Lori made the motion to approve the Head Start Budget and Grant Submission for FY 2018, Charles seconded. Motion passed.

4. Resolved, at a duly authorized meeting of the Boards of Directors of CFO and WHCA held on August 29, 2017 it was voted that Betsy Fitzgerald, Board President and Mark Green, Executive Director of these institutions, be authorized to execute contracts in the name of and on behalf of said institution. It was further voted that Stacy Brown, Budget Director, Heather Barton-Lindloff, Nutrition Manager, Kevin Bean, Finance Director, and Anne Ossanna, Adult Day Program Manager, be authorized to submit requests for payments on behalf of this institution. Such execution of any contract or obligation in this institution's name shall be valid and binding upon this institution.

Discussion: This is due to the combined application for the CACFP contract. This is the first contract we're doing under DCP name. Both boards will need to approve. The language is per the request of the CACFP funding agency. The contract date is October 1.

Action: Charles made the motion to accept the resolution, Lori seconded. Motion passed.

5. Resolved, to approve the meeting calendar for FY 2018.

Discussion: Consensus at last meeting was to have the meetings on the last Tuesday of the month. Mark sent a note to those who were not present at the meeting and did not hear any negative feedback. November and December's meeting will be combined to the first of December in order to have the annual meeting and to avoid holiday

Action: Charley made the motion to approve the meeting calendar, Lori seconded. Motion passed.

III. Items for Board Action (WHCA – Betsy Fitzgerald)

1. Approval of Meeting Minutes of June 27, 2017 WHCA Board Meeting (tabled from 7/25/17 meeting).

Discussion:

Action: Ruth made the motion to accept the minutes, Becky seconded. Motion passed.

2. Approval of Meeting Minutes of July 25, 2017 WHCA Board Meeting.

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Discussion:

Action: Bunny made the motion to accept the minutes, Martha seconded. Motion passed.

3. Resolved, to approve the meeting calendar for FY 2018

Discussion: This is to approve the dates, not the location. That is for future discussion. The Annual Meeting will be something fairly big due it being the first annual meeting of the new organization.

Action: Becky made the motion to accept the calendar, Ruth seconded. Motion passed.

4. Resolved, to authorize the Executive Director to purchase two vans for the transportation program and to finance the vans over a period of not more than five (5) years.

Discussion: The vote is required per WHCA Finance Policy. Two Toyota Sienna vans would be purchased to replace the van lost in the accident, and to replace a vehicle that is at end of life. Cheryl and Terry got the insurance company to increase the settlement from \$7,600 to \$22,000. We will be receiving another 2 accessible vans in the next 5-6 months through the state. This will be through a bid process, with financing likely either through a financial institution or the dealership. We are financing in order to reserve our cash flow for the merge. There is an option for early pay-off.

Action: Ruth made the motion to approve the purchase of the vans, Becky seconded. Motion passed.

5. Resolved, at a duly authorized meeting of the Boards of Directors of CFO and WHCA held on August 29, 2017 it was voted that Betsy Fitzgerald, Board President and Mark Green, Executive Director of these institutions, be authorized to execute contracts in the name of and on behalf of said institution. It was further voted that Stacy Brown, Budget Director, Heather Barton-Lindloff, Nutrition Manager, Kevin Bean, Finance Director, and Anne Ossanna, Adult Day Program Manager, be authorized to submit requests for payments on behalf of this institution. Such execution of any contract or obligation in this institution's name shall be valid and binding upon this institution.

Discussion:

Action: Barbara made the motion to authorize the resolution, Becky seconded. Motion passed.

6. To accept the resignation of Peter Remick from the Board of Directors.

Discussion: Peter felt it would be better to resign due to scheduling and serious health issues.

Action: Martha made the motion to accept Peter's resignation with regrets, Becky seconded. Motion passed.

7. The Executive Committee met prior to this Board meeting to discuss the CSBG budget, and recommended approval by the full Board. The budget is in your packet. We need to have it approved in order to submit it. Family Advocacy is approximately the same funding as last year; will be looking for other sources of income. At Home and Friendship Cottage are funded this year as well. Resource Development has been reduced for this year; it is being funded using other funding; Joe will be going to part-time effective January 1. Receptionist is the same as last year. HHG is funded again. Agency is primarily funding Bobbi for oversight of the program; it requires about ½ of Bobbi's time to oversee the contract. Loan Officer is both business and HHG loans. Nurse Bridging is included. Total budget is \$307,890. This isn't the actual budget, but rather the allocation of funds. The budget can't be formulated until the agency budget is done. CSBG budget now has to be related back to the needs assessment.

The MCAA is purchasing a new database (Empower) that will connect clients to all services in the agency. The program takes the information from all other databases

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<p>(housing, LiHEAP, transportation, etc.) and combines it into unduplicated numbers. This will also help with a central intake process. York CAP and The Opportunity Alliance currently use the software and like it. We have to prove how we utilize the funds. Without these funds we are not a community action agency. Action: Becky made the motion to approve the CSBG budget, Bunny seconded. Motion passed.</p>
<p>IV. Reports and Presentations (Betsy Fitzgerald will Chair)</p>
<ol style="list-style-type: none">1. Development Committee WHCA – Barbara Clark – There was no meeting this month. We do have a date for the picnic, September 25 in Cherryfield, and planning will soon commence.2. Report on Friendship Cottage – Barbara Clark – Questions have been raised about Friendship Cottage and the budget. The reality is that it costs \$22 per hour to care for people, while the highest reimbursement rate is \$14 per hour. Joe, Mark, Barbara, Kevin, Stacy and Anne have had two brainstorming sessions. The private rate will increase to \$16 per hour. They would like the Board members to visit the cottage so that they can make a better informed decision. They have come up with some ideas for economies. They are looking at a newsletter to be sent quarterly to “feeder” organizations so that there is a constant waiting list. They are going to meet again to find a way to make it more balanced financially. Anne stated that it is ok to just show up without calling ahead. Stacy visited this month and spoke with Anne and stated that it is a special place. There is a deficit beyond the CSBG allocation, historically about \$40K per year. About 75% of billable hours are low-income. State funded highest reimbursement rate is \$12.50. John suggested looking at a heat pump in order to save money. This should be3. President’s Report WHCA – Betsy Fitzgerald – The terms for the new board are as follows: Three-year: Betsy Fitzgerald, Chris Huh, John Harris, Ruth Sousa, Becky McKenna, Vanessa Young, Jonathan Thomas Two-year: Lori Schneiders, Catherine Betz, Jim Schatz, Barbara Clark, Charley Martin-Berry, Brent Hartford, Martha Beathem One-year: Charlie Harrington, Ron King, Walter Kumiega, Michelle Beal, Elizabeth Earlenbach, Angela Rackliff, Charles Rudelitch Bunny Richards tendered her resignation due to scheduling conflicts. She will still keep in touch with the agency and what we are doing. Betsy handed out her thoughts on a possible usage for the land in Machias. This is just to get people to start thinking about this. Please feel free to call or contact her with thoughts.4. Chair’s Report CFO – Walter Kumiega – Looking forward to the picnic and the press conferences scheduled on Tuesday, September 19th. One will be in Machias and one in Ellsworth. Mark will send out a schedule. All Board members and available staff will be invited. Sarah is working on the details.5. Executive Director’s Report - Mark Green – There are two big things going on right now with the merger. The first is the budget process. Stacy and Kevin, with support from the Directors, are working on getting the combined budget together. They would like the Finance Committee to get together in September to review

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the budget, with a follow-up meeting for the final budget in early October. At that point it would go to the Executive Committee for approval, with full Board approval at the October meeting. Mark would like the Executive Committee to meet with Pat and other staff early in October to go over the personnel policies. They would like two or three meetings with a vote to approve prior to the all staff meeting on October 27, so that it can be disbursed on that day. Mark will write a memo to explain how the Executive Committee and Finance Committee are formed and who will be on them. You do not have to be on the committee to attend those meetings.

We have been working on a contract for Maternal Child Health (MCH) in Ellsworth. DHHS has asked us to propose doing this program in both counties, which will allow us to grow our Nurse Bridging Program. The State will bid this out next year.

Sarah and Melissa have been working with a graphic designer to come up with a logo. The designer has put together a couple of samples that Mark has had a chance to look at. She is finalizing these and is bringing it to Sarah and Melissa. Would the two Boards agree to appoint one member from each Board to look at the options and make a decision. Betsy would like to have it sent to all members so that all can review and have input. Mark will have them sent out once they are received.

We have fire marshal permits for both Milbridge buildings (old section and new section), and are close to MaineHousing approval on the propane tanks. Everything has been submitted to the town for their approval and we are making progress. It should be ready to bid in the early fall.

6. Finance Director's Report WHCA – Kevin Bean – Cash remains good at \$784K. Today he looked at MaineHousing receivables, which are down to \$40K for 5 contracts. We are doing much better than other CAPs. Almost all of our contracts are reimbursement based. Surplus remained steady at \$88K. Revenue and expenses down in part due to housing projects not ready for billing and transportation RFP being pulled back by the State due to another agency contesting the process statewide. Transportation, Housing, Energy Services, and Admin are showing a \$174K surplus combined. All housing rental units are full.
7. Finance Director's Report CFO – Stacy Brown – Cash decreased but is in a pretty good condition with the LOC paid off and about \$64K in cash. CACFP had a delay in payments due to the Program Officer at the State being out on medical leave. That has been resolved at this point. As of this morning all AP was paid out. We are at a \$20K return on fundraising efforts; all efforts have been put on hold until after the merge. Childcare revenues are up, exceeding budget by \$17K in July. We are at 95% capacity in childcare. CACFP homes is a slight deficit of \$7K, which should be recovered by the end of the grant. State Head Start had a loss as of 6/30, with the new contract starting 7/1. We are now at a break-even point in this contract. IDC and benefits are below budget. Returns on investments are offsetting deficits; Stacy and Kevin have discussed a break-even budget

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<p>without the inclusion of returns.</p> <p>8. Head Start Report – Melissa Mattes – Working on enrollment, we are over half way there. Pretty stable staffing wise agency-wide, with the exception of Ellsworth. Staff returned this week with children returning next week. We became the CAN Council for Hancock County and have hired a CAN staff person who starts next week. Please mention Head Start to anyone you see; LiHEAP sent out a mailing to those households with small children to notify them of the program; looking at more collaborations with public schools and daycares to wrap Head Start services into those programs.</p> <p>9. Review of Parent Policy Committee minutes from 8/23/17 – Discussed the merger; expanding the Parent Policy Council to increase participation; it is the time of year to increase recruiting efforts due to the start of the year. Parent meetings at each center choose a representative to the Policy Council. The budget for this line item has been increased to provide food and childcare at the parent meetings in order to increase participation.</p>		
V.	Business meeting adjourned at 7:23 pm	Becky made the motion to adjourn.
Respectfully submitted, Jennifer Trowbridge, Housing Services Director		

NOTE: On items requiring a vote, only the members of the appropriate governing board will be entitled to vote.