

Downeast Community Partners (DCP)  
 Meeting of the Boards of Directors, October 30, 2018

<b>Called to Order: 5:25 pm</b>		
I. Roll Call and introductions – Walter Kumiega chaired meeting		
<p><b>Roll call:</b> John Harris, Martha Beathem, Jonathan Thomas, Ron King, Walter Kumiega, Charley Martin Berry, Katie Clough, Lori Schneiders, Dorthea Crowley, Becky McKenna, Charles Rudelitch, Barbara Clark, Charles Harrington Quorum present</p> <p><b>Staff Present:</b> Mark Green, Kevin Bean, Bobbi Harris, Melissa Mattes, Sarah Nugent, Cheryl Robbins, Stacy Brown, Ida Davis, Jen Winter</p> <p><b>Guests:</b> Jane Thomas</p>		
II. Presentations		
<p>1. Supportive Services – Ida Bagley</p> <p>Supportive services includes several program: Resource Advocates, Nurse Bridging, Maternal Child Health, Assurance 16 (for folks on LiHeap), FDA (for people saving towards a goal), Care fund (funding to help people with unexpected emergency costs).</p> <p>Resource Advocate stories – a family needed childcare so mom could return to college to help her find better employment. Advocate helped find childcare, and helped work on credit report.</p> <p>Family of 5 had young deaf child who needed to go to Boston for surgery, Advocate helped to find resources for that trip and all that is associated with it.</p> <p>Homeless single lady with depression, able to connect her with counseling, she is able to take classes now.</p> <p>A little support can make a difference, length of time advocate works with participants varies.</p> <p>Jen has been doing maternal and child health nursing for 12.5 years, two others work in Washington County. We get referrals from hospitals, WIC, Maine Families, different organizations. See a variety of people, go into home to make sure they are stable, visits as frequently as needed to get mom stable. Some of the families have many more than medical needs, Jen can bring in the Resource Advocate to help sort out the other needs so everyone can focus on improving health outcomes.. Visits start out intensely, can spread out over time as things become more stable. Want to give the baby the best start. Some are more medically challenged – premies, low birth weight, multiples, Jen and other nurses will go to hospital and doctor visits with the family. Connect families with resources.</p> <p>In the past three months, Resource Advocates worked with 29 participants. Of these, 8 got jobs, 5 maintained their job, 4 got an increase in hours, 4 had vocational training, 3 maintained basic needs for 90 days, three maintained basic needs for 180 days, 8 received financial education, 3 got health insurance, 3 starting getting TANF, 5 started getting SNAP, and 4 who were homeless obtained shelter.</p> <p>Q: What sort of case loads do the nurses and family advocates have?        Resource advocates have 18 in Hancock County, and 11 in Washington County.        RN – 12 new referrals, total 70 clients, 25 families in Hancock County</p> <p>Do we have a way of tracking outcomes for families?</p>		

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Do some tracking for CSBG, hoping Empower will help us track more.

Q where is funding coming from?

CSBG, Assurance 16, State funding, and private funds. CARE fund is an endowment.

Q Besides money for heating assistance, LIHEAP has other programs?

Assurance 16 – helps people with energy efficiency, have added case management, help reduce energy, increase income to be more self-sufficient.

Q. do they let you install heat pumps?

Not with our program

Q do they let you do more insulation, windows etc?

No, Housing has that funding, can refer them to housing, we change lightbulbs, plastic for windows, that type of thing.

Q: how do we help elderly couple get access to help with some of those kinds of things?  
Housing will work with them, and make referrals as necessary to USDA for help with forms to get access to home repair programs.

III. Items for Board Action

1. Approval of Meeting Minutes from 9/25/2018

**Discussion:** Martha – when we merged, we pulled names out of a hat, believe my term was one year not three. Her recollection was correct, but since she was re-elected, we did that for three years. New organization, past term limits do not apply.

**Action:** **John** made the motion to approve the minutes, **Becky** seconded. **Motion passed.**

2. RESOLVED, that the Corporation proceed with the execution and delivery of all instruments, agreements, and other documents (the “Loan Documents”) for a MaineHousing \$250,000 Deferred Forgivable Loan to construct, maintain, and operate two fully accessible one-bedroom units of permanent supporting housing with a preference for veterans at 2 Maple Street, Milbridge, Maine (the “Development”), all in accordance with that certain May 30, 2018 Commitment Letter, as amended; and FURTHER RESOLVED, that Mark Green, the Executive Director of the Corporation, be and hereby is authorized and directed to sign and deliver each of the Loan Documents on behalf of the Corporation in such form as he deems reasonable and advisable for the effectuation of the Development, and that each Loan Document shall thereby be a legally binding commitment of the Corporation.

**Discussion:** This is the required resolution to close the Maine Housing loan. A deferred forgivable loan means that as long as we use the property as agreed, loan is forgivable, if we use for something else, might have to repay it. This is a 30 year one.

Martha has some friends in Milbridge, people are happy with what we are doing with the building.

**Action:** **Becky** made the motion to approve, **Martha** seconded. **Motion passed.**

3. Resolved, to approve a budget for Downeast Community Partners for the year 10/1/18-9/30/19.

**Discussion:** Stacy has been working on the budget, she will present and answer questions.

Refer to page 18 in the packet. Compares last year to this year. Page behind that lays out budget by division. Revenues are consistent with prior year, some reductions, such as Navigator, and DHHS Transportation. Big thing we did last year was plan to open two new classrooms but that did not happen. We did not budget for that for this year, though we hope to do it. All positions are staying the same, reduction from last year is due to not opening the classrooms (so not filling those positions). Budgeted 10% increase in insurance, increase is only 7%. Staff contribution going from 5%-10%, a bit higher due to increase. Employee costs more than doubling for individual plan.

Transportation – some old buses coming off of the road.

Housing looks like budgeting of a loss of \$42,000, but transferring funds from temporarily restricted to cover expenses. Actual surplus of about 80,000 in housing.

ECE showing surplus, due to increased childcare fees. Very careful in the budget to be conservative in revenues.

Overall expenses up 10%, some of that 2.6% COLA.

Extra staffing for Trenton.

Admin – holding 9.8%, a bit of surplus, next year's rate might be less than 9.8. Includes a second IT person.

Not replacing half time person who left At Home.

Budgeting fundraising flat from last year.

Elder Services are being budgeted at breakeven – big goal for FC. Able to allocate more CSBG to them, also saw an increase in state funding.

Housing over all budgeted at \$3,400 surplus from rental properties. Elm Street lease ends on soon, budgeted empty after that. Hopefully, it won't be.

Budgeted THAW fund lower than last year, because Joe is no longer working to raise funds.

Anticipated increase in minimum wage means that drivers will get a dollar raise, so that they don't lose ground because of increase in minimum wage.

Supportive Services relying less on CSBG.

Q and A

Q Those were the high points, what are the low points?

A few programs that will be watched very closely – At Home and FC, Childcare, make sure we hit revenue goals. Transportation as well, due to increased wages and RFPs out, a lot of uncertainty.

Q You mentioned COLA? What if there is another one this year?

If congress gives us a new COLA fro Head Start, we will adjust at that time. Congress gives us new amount, and the money for it, it covers it.

Q Is Trenton covered for teachers?

Yes, Melissa is quite creative about covering spots. Have plans to do a permanent transfer to that position.

Comment – really glad that you budgeted for a surplus even with conservative revenue. Very concerned about wages – competitive, can cover costs. With a surplus, we can afford to raise wages for all staff if a COLA comes down, not just covered staff.

Finance committee met. John, Kevin, Betsy went over budget in great detail, but didn't vote, no quorum.

One more thing, we did include money for a full time development position, at about 40-45 thousand, plus benefits, working on job description. Welcome thoughts on process.

**Action:** Becky made the motion to approve, Charles R seconded. **Motion passed.**

4. Resolved, to approve the use of the endowment income for the following purposes
  1. \$10,000 to assist families eligible for a State childcare subsidy with initial childcare expenses;
  2. \$5,000 to assist families with the cost of transporting their children to school by providing \$2-\$5 per day for transportation;
  3. \$12,000 to allow the agency to continue the practice of using a sliding scale for childcare based on income.

**Discussion:** former CFO had an endowment that we thought it would be good to use funds for these categories. When people first get childcare there is a gap between starting work and getting state subsidy.

We do give families a transportation subsidy.

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Always used a sliding scale for childcare. Trying to quantify that instead of absorbing it into the budget. Anticipate endowment income to be about \$40-45,000, about half of it.

Q On Item 2 – transporting children to school? What is that?

Head Start, not school.

Q What will we do with the other half of the income?

No specific plan for this, in the past it has been allowed to accumulate, available to use for other things.

Q So then are these numbers enough?

\$10,000 goes very quickly. Co-pay is very low, because the families have had 0 income.

If more is needed, we will come back to the board.

Q In the past what have you done with the funds?

Used the funds to cover a budget deficit, rather than allocate it this way. Wasn't done as part of the budget plan, this seems a better way.

Transportation right now is only available for Head Start families.

Q What is the current value of the endowment.

At least \$800,000, don't have the exact amount here now.

**Action:** Ron made the motion to approve, Becky seconded. **Motion passed.**

5. Resolved, to approve the selection of Gibson and LeClair, Certified Public Accountants of Augusta to conduct the annual audit for the year ended 9/30/18.

**Discussion:** Kevin coordinated this process. Sent RFPs out to a number of firms, Berry Dunn; Macpage; Nicholson Michaud and company; and Gibson and LeClair. Just after RFP was received, Nicholson lost a key employee to retirement, chose not to bid at this point. Came down to three. Decision was unanimous. Kevin has known Steve LeClair for many years. He has done many CAP audits at, familiar with CFO. Don't anticipate too many issues. Expect a few small things related to the merger, but nothing large. \$23,000 price is very competitive, easily lowest bid. Also considered size of the organization, worrying that our project is too small for the larger companies. Gibson LeClair understands what we are about, and choosing them supports our mission as they are very local. Also had the fewest spelling errors, which made Becky happy. Details matter when you are an accountant. Knows Head Start very well. Worked well with high turnover in Finance department at CFO, good to work with. Presents the audit in plain language.

This is a one year appointment with renewals available up to 5 years.

**Action: Martha** made the motion to approve, **Barbara** seconded. **Motion passed.**

6. Resolved, to authorize the Executive Director, Finance Director, and Treasurer to increase the agency's line of credit to \$400,000 and to sign any required documents.

**Discussion:** Currently have a total of \$300,000 line of credit - \$100K from CFO, 200K from WHCA. Depending on timing of payroll, 160-180K in payroll. \$400K would be our goal right now, if we grow, would like to increase it. For us to meet 4 weeks worth of payroll if something happens at the state level, delaying contract payments, \$400K would be ideal. Combine into one account and increase line. At MSB at this point.

Q Do you do payroll weekly?

Biweekly

Q How often would you use this?

My plan is to never use it, but we did use it at the end of September on the last day of the fiscal year. Did it keep cash level high enough that on the audit, it will present the organization more favorably for contracts. Had to do it because state contract officer was out for 5-6 weeks, so payments were slow. Maine Housing also had delays.

Q What is the interest rate – Variable, about 5%. First time we have used it in 4-5 years.

They do charge an annual fee of \$350-\$400, for processing.

MSB has been very cooperative on the Milbridge financing. Also were very good to CFO when they went out to bid years ago.

Q: When the state doesn't pay the bills on time, do we ever reach out to our legislators? It really works in other circumstances.

Yes, but we have a good relationship with our contract officers. For instance, get extension on reports due, don't want them to change that relationship. If funds don't come in in a few days, then it will be more of a daily call to them.

Comment: Appreciate not getting them mad at you, but it is inexcusable.

Like all departments, they are severely understaffed, hiring freeze for eight years, people leaving are not replaced.

**Action: Becky** made the motion to approve, **Barbara** seconded. **Motion passed.**

7. To authorize the President, Treasurer, Executive Director, and Finance Director to sign checks for FY 18/19

**Discussion: None**

**Action: Barbara** made the motion to approve, **Becky** seconded. **Motion passed.**

8. To authorize the Executive Director, and Finance Director to sign all agency agreements, contracts, and corporate agreements for FY 18/19

**Discussion: None**

**Action: Becky** made the motion to approve, **Ron** seconded. **Motion passed.**

9. To authorize the President and Vice President to sign the Executive Director's expenses for FY 18/19

**Discussion: None**

**Action: Ron** made the motion to approve, **Becky** seconded. **Motion passed.**

IV. Reports and Presentations

1. Strategic Plan Update – Committee Members

Mark: really feel like process is kicking right along now, World Café had good attendance, seemed to go very well. Committee will meet, go over results. Consider doing it again in December.

Martha thought it went well as well, ideas made you think a little bit. A side note – moving us around, nice to meet and get to know each other better.

2. Development Committee – Barbara Clark – small meeting; highlights are SEED is in high gear. You all received email looking for help getting signatures on November 6. Have staff filled in but board members are welcome to come along to see the process.

As of our meeting, it is understood that THAW has \$95,000 in the bank to start the season. Our assignment for next month is review the development plan for the November meeting. Friendship Cottage, since Joe has left, effort to raise sustaining funds is suspended, we don't know where Joe left off.

Advisory Committee has started a new goal: 100k in three years.

Discussion on where to go with Development staff. Leave it to Mark to go ahead with his plan, but down the road it would be wonderful to have a development officer.

Q For Friendship Cottage, do you mean endowment or money to fill the gaps?  
Yes, fill the gaps.

Q Did WHCA have a planned giving program?

No. It is on the agenda with FC fundraising. Barbara and Gerry have been involved in fundraising for a long time.

If they can raise \$10,000 in three months, they can do this.

3. Executive Directors Report - Mark Green

Milbridge is moving ahead. Outside of the structures are done, working on inside. Struggling to get the financing done on the veteran's side, scheduled for 11/20. Hope to get that moved up. Cutting into our cash if we can't get Maine Housing cash.

Our solar array in Franklin is getting close to done – another month or so will have it up and running.

Yesterday we were approached by Families First. Seaboard Federal Credit Union gave them a mortgage, FHLB is requiring them to get a partner. Kevin and Mark met with the Credit Union and Dawn Coffin. Not sure what is

going to be asked of the partner. Meeting with FHLB next week to learn more, probably want to support this effort if it doesn't come with financial risk.

Charles would be concerned if the reason for needing a partner is for assets to backstop the loan.

Kevin: more like handling reporting and income guidelines experience, dealing with contracts. MDI Housing is already previewing their applicants. We would be the ones to make sure that is happening, do some reporting. Kevin is concerned about what the liability of this would be on us.

It's a great project with a lot of work ahead. Amazing how far they have come.

Intercity RFP – submitted, got questions back. One question in particular was about match. We thought we could use rider fare as match. We can't. Need to find other match. We think our limited resources for transportation would be better served in other projects, did some brainstorming about how that could work. Thinking about sending back a note to withdraw our proposal.

Seems to Mark that if we have to use our small amount of uncommitted funds and service is already provided, we could be better served to look elsewhere.

How does West meet these match requirements? We don't know. We suspect his costs might be lower.

One of our ideas is to create and promote small in town runs in Machias and maybe Lubec.

Withdrawing will also help keep our relationship with West. No sense in taking it away from him and then losing money.

Betsy and Mark talking about annual meeting. They will be getting together and talking about it. Might be moving November meeting to early December. Some sort of modest annual meeting in December.

Q Our rental properties yield a net of \$4,400. Seems low. Is that after expenses?

Yes, that is net. Used to lose money, significant change. Also assumes we won't re-let Elm Street.

4. Finance Directors Report – Kevin Bean –  
September reports are preliminary, started year-end process, so there will be changes with year-end entries. Entry for endowment gets booked at end of year. The DBA shows a \$3,000 deficit, expect it will be wiped out with principal and interest. Currently the cash at the end of September was 637,000. (includes line of credit utilization) AR was 1.6 million, up \$300K.



Seems that Logisticare is slower in paying. If they reject a payment due to a typo, we have to search for it when money comes in, they never tell us when there is a problem. They are paper-based, hard to get reports. We want to improve the process so we aren't waiting so long.

Surplus decreased about \$14,000.

We have a transportation AR, they are contesting the amount that they owe. I booked a 50% bad debt expense against that. If it comes in, it will be revenue in that fiscal year. It also may come in lower, and would require additional uncollectable expense.

Also seen an increase in childcare surplus. Deficit for FC decreased a little bit. Still need to close out CSBG contract, hope to shift some expenses to it for FC.

For revenues and expenses for the agency, we are under budget. Stacy covered a lot of that. Very happy to be under budget for vehicle expenses for transportation.

Q Discovery House been going on a long time. Who do we go to? Currently it is at the lawyers. They have offered a settlement of \$15,000 which we did not accept.

Q Do DCP lawyers know about it, so as to keep an eye on statute of limitations for filing a suit? Yes, Rudman Winchell is handling it. We sent back a counter offer. Waiting for response.

5. Head Start Director's Report – Melissa Mattes

Report in packet, in full enrollment, also for October. Still working on getting fully staffed. Include 4<sup>th</sup> round of school readiness, as required to report to you.

Supplemental funds to increase program hours (page 48 of packet) goes through conditions of funding availability. We are not eligible for 1-3, going for 4 in Calais. Fund in order of conditions, if they run out of money before they get to us, we get nothing.

Q staffing questions – challenges with FFD during startup – doing well now. It is a nationwide problem to get staffing in childcare. We aren't in it for the money, have to find the people who are committed. Hook is planning to attend a regional conference on staffing Head Start. We are comparable on salaries and ahead on benefits in the childcare world, but not in the real world.

Lori – We are looking into how to create a certificate or a degree program, early stages of forming partnership with Fort Kent and UMPI to supply people who are trained. Could be win-win for DCP, UMFK, and UMPI. Will reach out to Melissa for internship and practicum placements. It would be helpful for me to have statistics about openings and need.

Melissa is going to Head Start directors meeting Thursday, gathering data on openings, recruitments, applications, etc statewide.

Lori will need that info to make the case.

6. Development and Community Services Grant Report - Written
7. Minutes of Parent Policy Council for 10/19/2018 - Written
8. Member introductions – Walter Kumiega and John Harris

John – born in Ellsworth in 1959, quit high school, went in the air force, 20 years in Air National Guard, paid military firefighter for 29 years, supervisor. Retired from Guard, went to DHHS, Dorothea Dix as night mechanic. Saw the light! On board at Ellsworth Free Medical Clinic, then to WHCA. When not here, take care of rental properties and haul trash for 13 towns. Really enjoy being on this board, same forward thinking. Always feel like we are doing something positive. Hear stories from the field, get little revelations.

Help people that just can't keep it functioning, if you can't do it for days and weeks, that is really what it is all about. When we pull people out of the dirt, that is where we shine the best, it is what keeps me here. Doing the best we can.

Walter – live in Little Deer Isle. Daughter is 25, so 22 years ago she was a Head Start student, that is how I got involved. Our center director said “we need you to be on the policy council” she didn't ask. I went, that is how I got involved. The things that got me hooked were the good work, saw what my daughter was learning. And going through Policy Council meetings, my opinion mattered, I was in a group of equals. Our opinions on how organization should be run counted. After that I was board liaison, became board member, been involved ever since. Met Melissa 22 years ago. We do good things for people and it is worth continuing. There is a role to be played. Someone has to make sure Mark is doing a good job, and that is our job.

Gave me confidence to get on local school committee, then legislature. In one month, I will be termed out of legislature.

This is the only board I held onto when I was elected. Already being recruited for more groups.

Two volunteers for next month – Lori Schneiders, Barbara Clark.

<b>V. Business meeting adjourned at 7:00 pm</b>		<b>Becky</b> made the motion to adjourn.
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Respectfully submitted, Sarah Nugent, Development Assistant