Called to Order: 5:20 pm

<table>
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<th>I. Roll Call and introductions</th>
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<td><strong>Roll call:</strong> Betsy Fitzgerald, John Harris, Jonathan Thomas, Walter Kumiega, Ron King, Charles Rudelitch, Barbara Clark, Charley Martin-Berry, Charlie Harrington, Charles Rudelitch, Lori Schneiders, Dorthea Crowley. Quorum present.</td>
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<td><strong>Staff Present:</strong> Mark Green, Kevin Bean, Sarah Nugent, Hook Wheeler, Melissa Mattes, Stacy Brown, Bobbi Harris, Cheryl Robbins.</td>
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<td><strong>Guests:</strong> Stephen LeClair, Caroll Thompson, Jane Thomas.</td>
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1. Presentation of 17/18 Audit Report

Stephen LeClair was the Former CFO auditor, very familiar with the programs there, familiar with other CAPS, so nothing unusual here at DCP. Did not find anything serious to report to the board. Financial situation healthy, no material weaknesses on system of controls. Federal, state government documents will be clean, with no findings.

Normally we would present two years of comparison, but as we weren’t the auditor for WHCA, and CFO’s last audit only covered ten months, there is nothing to compare to here.

Three biggest assets are property and equipment, at book value (after depreciation); investments; accounts and notes receivable.

Looked at 9/30/17 for two organizations combined, total is similar to DCP’s first year.

Review the graphs and charts on your own so you can understand.

Liabilities are much less than assets, which is a good thing. Two biggest are the debt and deferred loans. Deferred is all loans and notes receivable, they are long-term liability, not involved in computation of current ratio.

Net assets - what is left when you deduct liabilities from assets. Very healthy net asset balance. Not all unrestricted; two categories of restricted. Temporarily restricted – donor restricted and program restricted. Permanently restricted is donor restricted permanent endowment, and loan funds restricted permanently.

The difference between the two years is $162,507 surplus, primarily in restricted funds.

At the close of the year last year, there was a difference in the accounting systems of WHCA and CFO which changed what we thought was a surplus to a small deficit. Process has been sorted out and is corrected.

Auditors were surprised how few adjustments were necessary considering we were in the first year of a merger with two different accounting systems.
Current ratio – looking for indications of how liquid an organization is – current assets divided by current liabilities. 9/30/18 the ratio was 1.5. Anything above a 1 is very good.

Revenues totaled 10.8 million, largest source being grants and contracts.

Expenses – less than revenues, typical of CAP, highest expenses are payroll and contract services, direct client assistance. Occupancy includes fair market value of space donated to Head Start program.

Unrestricted, undesignated assets – have 44 days of operating expenses in unrestricted assets. Anything above 30 is very good.

Last page shows where the dollars went – program services: 89.7%, Mgmt and general 10.2%

Financially it was an OK year. Unrestricted has a small deficit, market value effects bottom line.

Kudos to Kevin and Stacy – given the work of the last few months this is great.

Also, kudos to the programs that were audited – Federal Head Start, Transportation, and CACFP, files were clean.

**Action:** Jonathan motioned and Walter seconded, to compliment the financial staff. Motion passed.

**Action:** Executive session to have board meet with the auditors without staff present.

Executive session started at 5:50 PM

Executive session ended at 6:02 PM

2. Annual Report – Sarah Nugent

Sarah presented a nearly final draft of the annual report. Among the minor changes to be completed before finalizing was adding the photo taken of the board tonight. If anyone sees any other edits, please share with Sarah ASAP.

Annual report will be up on website by the end of the week.

Also, distributed the new over-all agency brochure. Shared plan for creating individual program area brochures. Sue Unger is working on them, and it is
helping her get to know our programs and staff. We will share the completed brochures at the next meeting.

Some feedback:
Make it easy to tell they are different brochures.
Consider translating materials into Spanish (Contact Charles R for more info on how to do this.)

### III Items for Board Action

1. **Approval of Meeting Minutes from 4/30/2019**
   
   **Discussion:** None
   
   **Action:** Charley made the motion to approve the minutes as written, Charles seconded. **Motion passed.**

2. **Resolved, to accept the FY 17/18 annual audit.**
   
   **Discussion:** They did a great job presenting it in language that we understood.
   
   **Action:** Charles made the motion to accept the audit. Walter seconded. **Motion passed.**

3. **Resolved, to approve the following policies and/ amendments to existing policies.**
   
   - Conflicts of Interest dated 12/27/18
   - Child Accident/Incident Health and Medical Emergencies Policy and Procedure dated 6/19/19
   - Child Health/Medical Emergencies Policy and Procedure dated 6/19/19
   - Head Lice Control Policy and Procedure dated 6/19/19
   
   **Discussion:** Stacy – conflict of interest for board, but not one for staff. Combined CFO/WHCA and came up with this one.

   All the rest are ECE policies that have previously been approved, but needed to be updated.

   **Action:** Walter made the motion to approve the policies. Ruth seconded. **Motion passed.**

### IV Reports

1. **Development Committee – Barbara Clark**
   
   Rowing regatta was very successful, netted about $12,000.
   
   Very good personal meeting with Shirar Patterson, to tell us we didn’t get any of our proposals, left door open for future partnerships and funding.
   
   SEED – doing well again this month, totals this year so far over 80,000
   
   This year has been very different as far as participation goes, every single director and one staff person have helped out by attending budget and town meetings. It has made it much easier to be successful.

   Friendship Cottage party July 11 invitations going out.

   Working on creating new development plan, beginning conversation notes
Ron would like us to invest more where our mission is, brings it up at Development Committee, but it needs to come forward to the full board. Mark and Kevin spoke briefly to one potential investment group about this. there are options out there that we need to learn more about.

2. Executive Directors Report and Strategic Plan Implementation – Mark Green/Hook Wheeler

We did end up sending in an application to Boston Foundation for 546,000 to start a community Housing organization – partners are DCP, Maine Seacoast, Mano en Mano, Community Caring Collaborative and SCEC.

Challenges renting two apartments – two reasons – our inexperience with HUD regulations, and because we limited it to veterans. One is rented, 4 active apps for the other. Expect to have them filled in a few months, one might be as early as next week.

Investigating a property manager to help us handle this.

Mark will check in with Charles R for input on management companies.

Employee picnic this past Saturday, Betsy, Dorthea, Lori, and Martha were there. Biggest turnout ever, weather was good until we finished eating. Entirely organized by employee group, they did a fantastic job.

Last week, started working on a tool to help keep track of strategic plan will bring it to you next week.

One piece that has been worked on actively is the compensation plan: Hook will update us on progress to create a unified plan.

Compensation Committee:
6 volunteers, we have met 8-10 times, we are realizing how much there is to think about to create one plan for the whole organization. Review memo included in your packet, eight bullets show the consensus we have arrived at. More importantly, we will be working through the summer and fall to figure out how to fund this. Anticipate there will be some cost.

Below that are four bullets of what we have to work on next.

Timeline – we will finish the pieces of over the next couple of months, then putting people into a salary scale, then figure out how to roll it out.
Biggest piece – set up evaluation process that will be instrumental in determining the increases.

Question: How do we get the market data? There is a CAP salary study done in March 2018, free sources the government puts out – a bit old and generic. Also paid services, which we have decided to go with – can really zero in on real market value geographically and by job, data is fresh. ERI is the one we are working with.

Question: what role, if any will a living wage or solidarity play, especially for the positions that pay a pretty low wage? Very likely that some of them will not be a living wage. This might come back to the board as a policy issue.

We are worried how we will fund this as well.

Question: You talked about compensation – will it be merit or will there be scales?

There will be scales, exempt and non-exempt, but there will be merit increases, also looking at longevity. Not changes to base, but one time awards.

Question: How many of our contracts are cost plus?

Nursing is cost settled, most are cost settled.

We look at all the contracts within a division, and see what we expect for growth, always work into our budgeting some kind of increases for salary and fringe. Some organizations it is easier to work those in, depending on their situation. It will really vary between sources.

ECE and transportation will feel this the most due to the high number of employees. Need to really look at savings elsewhere to cover personnel costs, but eventually will get to the point where you can’t cut anything else.

SCEC found once we raised compensation, found that there were ways to fund it through existing funders. No punishment for raising or lowering salaries.

Feeling the compression with minimum wage.

All in all, it would be good to know what our target is, what is market? Then get our heads around how to get there.
3. Finance Director’s Report – Kevin

Cash balance is 1,000,000 in bank, payments that we have been waiting for have come in, DHHS is getting caught up. Deficit is $185,000. Expected it to be lower by now. Investments are doing better again, made up most of last month’s loss. $36,000 loss for sale of Jonesport property sold earlier, one time loss. Areas we can improve – trans is doing much better now that winter is over. Reviewed Trans billables, first four months of the year were significantly lower than the last three months; if we can maintain this growth should see a 10K surplus each month. Also waiting for funds to come in from SEED – about $35,000.

ECE deficit, 107,000 – we are dipping by 6-8 thousand per month. If we can open up a classroom to bring up revenue, that would help greatly.

Overall revenues expenses right on target, looking at transportation - lower gas costs are helping, repair costs are a bit higher. Waiting for 14 new vehicles, that will reduce repair costs.

Mark thinks we will wind up in a deficit this year. ECE meets every few days to address these issues. We have hung our hat on filling the classrooms, but don’t see it happening with recruitment issues.

FC – we have tried EVERYTHING to get it to run in the black but just can’t happen. Will bring it to the board, recommend some changes. We are working diligently on this.

Long term problems we need to address in a long term way. Not yet affecting significantly the financial health of the organization.

57,000 of this deficit is depreciation. Not a cash issue, but reduces net assets. Next year, have to start depreciating FC. Past donations have covered it but they will be fully expended next year. $35,000 - $40,000 more to FC budget next year.

4. Head Start Director’s Report – Melissa Mattes

Report in packet, info on parent survey, any questions?

Question: In terms of parents surveys, are comments roughly similar to prior years?

Yes, very similar year to year. We identify which centers might face specific issues.

Question: If a center is getting more comments, do you address it specifically with that center?
Yes, and staff come up with goals to work on any issues.

5. Minutes of Parent Policy Council for May 15th and June 19th, 2019

6. Member Introductions - Dorthea Crowley
   Dorthea was born and raised in Jonesport. Lived on three lighthouses as a child, Seguin, Pond Island, Little River lighthouses. While at Little River, she was in the third grade, and her father took her to school on the mainland every day. Every day at the top of the hill, he would ask her if she wanted to go. Every day she said yes, until the day before Christmas vacation. She stayed home to welcome her brother back to the island that day.

   Then her father got transferred to Portsmouth Harbor, the family stayed in Jonesport.

   Dorthea was married to her husband for 58 years, until he passed away. Licensed beautician. Did more things than she can share here. Raised 3 daughters and a son, has 12 grandchildren and 13 great grandchildren. When not here, she is at the other end of the state baby-sitting, house-sitting, and dog-sitting.

   Next month, Martha Beathem and Ruth Sousa.

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<th>V.</th>
<th>Business meeting adjourned at 6:55 pm</th>
<th>Ron made the motion to adjourn.</th>
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Respectfully submitted, Sarah Nugent, Manager, Communications and Resource Development