

At the regular bimonthly meeting of the Community Action Commission's Board of Directors held October 22, 2018, at Tri County Community Action, 1514 Derry St., Harrisburg, PA, the following actions were taken:

Present:

George Fernandez, President
Janis Creason, Vice President (Phone)
Jacquelyn Rucker, Immediate Past President
Terry Barley, Treasurer
Rumulus Brown
Michael Burns
Susan Carbaugh
Amber Coleman
Jennifer Powell (Phone)
Jennifer Smallwood (Phone)

Excused:

Tracey Rash, Secretary
Ernest "June" Roberts
Jacquelyn Wise

Unexcused:

Nate Olivencia

Vacancies:

One, Private Sector

Staff:

Jennifer Wintermyer, Executive Director
Lynette Hassinger, Executive Assistant
Charles Bussard, Controller

Call to Order

President George Fernandez called the meeting to order at 5:35 p.m. A quorum was established.

Conflict of Interest Acknowledgment

President Fernandez asked if any members present had a conflict of interest to declare such and recuse themselves from any discussion or voting on related topic(s).

No conflict of interest was declared.

Approval of Consent Agenda

President Fernandez presented the consent agenda, which consisted of the August 2018 Board meeting minutes, the Executive Director's Written Report, and the Planning & Evaluation Committee meeting minutes, and asked if any of the items needed to be removed for further discussion. Hearing no request, Immediate Past President, Jacquie Rucker made the motion to accept the consent agenda, and Mr. Rumulus Brown seconded the motion. The motion carried with no abstentions.

New Business

Treasurer Terry Barley asked that Mr. Gregory Hall, CPA from Smith, Elliot, Kearns & Company LLC., Certified Public Accountants and Consultants present the findings of the Community Action Commission (CAC) and Keystone Community Development Corporation (KCDC) Consolidated Audit and 990's. Board Members were provided with draft copies of the documents.

Mr. Hall provided an overview of the process and pointed out the difference in the Total Liabilities and Net Assets from 2017 to 2018, as well as the change in Net Assets from last year. He pointed out the upcoming balloon payment due to PNC Bank in April 2021, which is planned to be refinanced for another five-year term at that time.

He pointed out that the pages 26 and 27 deal with deficiencies or weaknesses in internal controls and compliance, and none were found during this audit. He further stated that the audit did not reveal any instances of noncompliance or issues with internal controls. Statements specifically regarding compliance and internal controls are summarized on pages 30 and 31 of the report.

Mr. Hall next walked the group through the CAC 990 page by page and explained that page 5 indicates compliance with the IRS and that the audit did not reveal anything of significance to report in that area. He further discussed the Governing Body and Management section, which revealed that good policies are in place to manage the organization. Page 2 of Schedule A is comprised of a computation of Public Support Percentage, which is a measure of an agency's tax-exempt status. The test is to ensure that the agency achieves a percentage score of at least 33.33; the CAC percentage is 99.91%.

Schedule D, Part VI identifies cost and accumulated depreciation for land, buildings, and equipment. It was pointed out that the cost identified this year was considerably lower than previous years, when it might have been overstated. A discussion ensued in regard to updating prior years documentation. Mr. Hall stated that the Board Members will receive an updated final copy of the documents.

Mr. Hall explained how the KCDC 990 was quite similar to the CAC version, yet did not include a Schedule D. He provided a high-level overview of the document.

Treasurer Barley made a motion to accept the CAC 990, it was seconded by Ms. Rucker and carried unanimously.

Treasurer Barley made another motion to accept the KCDC 990, it was seconded by Jennifer Smallwood and carried unanimously.

Treasurer Barley made a third motion to accept the consolidated audit and it was seconded by Ms. Rucker and carried unanimously.

President Fernandez asked if there was any other new business and Executive Director Jennifer Wintermyer requested an addition to the Agenda. She stated that she would like approval to submit the annual Dauphin County Community Development Block Grant (CDBG) application for \$30,000.

Ms. Rucker made the motion to submit the CDBG application and Vice President Janis Creason seconded the motion. The motion was passed unanimously.

Financial Reports

Detailed financial statements for both CAC and KCDC were provided to the Board Members for period ending September 30, 2018.

Treasurer Terry Barley called on Mr. Charles Bussard to give the financial report. Mr. Bussard began with an explanation of why the agency uses a consolidated audit of both the CAC and KCDC, yet separate financial statements at each Board meeting. He explained that it is due in part to the interests and commonality of the Board Members.

Highlights of his presentation included:

- CAC has a strong Operating Budget and was able to pre-pay rent to KCDC to help with their cash flow.
- While the audit does show a loss on paper, \$144,000 is due to depreciation. CAC actually ended the year with a cash surplus.
- CAC received a grant in FY 17-18 for the lobby renovations, which will be expended in FY 18-19.
- The Family Center received an additional approximately \$30,000 as a result of the State increasing their contract amount, and is expected to be spent this year.

No concerns or questions were raised by the Board.

Copies of the financial reports are on file at the Tri County Community Action main office.

President Fernandez asked for a motion to accept the financial reports and to file the financials for audit. Treasurer Barley made the motion and Ms. Amber Coleman seconded. The motion carried unanimously.

Executive Director's Verbal Report

The Executive Director's written report was provided to Board Members in hard copy and via e-mail prior to the Board Meeting.

A. Program Updates

- a. The total Community Service Block Grant (CSBG) federal allocation has been increased by \$10,000,000, so our grant should be increased somewhat from last year.
- b. We have been contacted in regard to United Way's free tax preparation program, "Money in Your Pocket". They plan to discontinue the program after the 2018 tax season, and would like us to consider taking the program back. We were involved several years ago and it is closely tied to Community Action agencies throughout the country, yet we would need to significantly build capacity to support weekly and mobile sites, along with over 250 volunteers. We believe that this is a real opportunity for us and plan to put a draft plan together by Thanksgiving.
- c. Our grant application for crime reduction in uptown, in collaboration with Penn State University (PSU) for the Department of Justice's Byrne Grant was turned down. Only 13 of 67 were awarded. PSU hopes to identify other funding and move ahead regardless.
- d. Approximately one year ago, CAC staff started to work with the City in regards to planning for a community kitchen and farmer's market, supported by a USDA grant. Unfortunately, the building in which we had planned to locate the kitchen is no longer viable, therefore, we plan to move forward with the farmer's market and will consider the community kitchen at a later time. Ms. Rucker commented that the Shalom House is also looking for a commercial community kitchen and might be a good partner in this project.

B. Board Updates

- a. Through the recent Meet & Greet with Executive Director Wintermyer and Development Director Jeanne Troy, it has been learned that some Board Members feel that they are receiving too much information, while others believe that they are not getting enough. Our new website that is being developed should be able to assist with this issue. Board Members will be able to sign into a web portal resource center, where they will have the ability to access a calendar of events and various Board documentation. The website is expected to be up by the 1st of the year.
- b. In March, a full day strategic planning session will be facilitated to develop a new strategic plan and methodology. We are on the third year of our current plan.

Old Business

- A.** CAC is currently in 100% compliance with the Organizational Standards. Community Action agencies will soon be required to enter all of the Board Members contact information and the Board President's email address to ensure that the Board is being notified of the Standards' compliance status. Ms. Wintermyer provided the Board with a copy of the Organizational Standards Report – Standards Requiring Board Action, printed on 10/15/18 to the Board for their review and tracking.
- B.** The "Escape from Poverty" event has been rescheduled to May 1st, 2019, which will kick off "National Community Action Month". Updated event materials will be coming out soon.
- C.** Executive Director Wintermyer explained that the Fund Development Committee is currently without a Committee Chair and she has agreed to act in that capacity until a new Chair is identified.

Keystone Community Development Corporation

- A.** Executive Director Wintermyer explained that a recent conference call was held with the agency attorney in regard to the properties at 202-204 S. 13th St. The attorney is suggesting an aggressive approach, in that the agency should file suit in Dauphin County, stating that it is the responsibility of the building owner, McFarland to fix and repair. They will have 20 days to answer to the suit, most likely resulting in a counter suit, due to the water rupture on the first floor. A motion to move forward with the authority for the attorney to file suit was made by Mr. Brown and Mr. Michael Burns seconded the motion. The motion carried unanimously.
- B.** The barbershop at 1312 Derry Street has the same ownership structure as the property at 202-204 S. 13th St. There is currently no debt on the property and there is a rent paying tenant, yet the risk is significant because of the ownership structure. The tenant has been there for over ten years and pays approximately \$1500 monthly. The property was appraised in 2011 at approximately \$100,000. After the first of the year, the CAC would like to consider options for this property.

Staff was excused at 6:42 p.m. when the Board went into Executive Session with the Executive Director.

The meeting adjourned at 7:01p.m.

The next regular meeting is scheduled for Monday, December 17, 2018, at 5:30 pm.

Transcribed by Lynette Hassinger

Submitted by: _____
Tracey Rash, Secretary