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Community Action Partnership of North Alabama
Board of Directors Meeting
February 22, 2018
Central Office

David Mathews, Board Chair opened the meeting at 8:36 am and welcomed those in attendance.

Board Members in Attendance: Keunna Swopes, Bruce Jones, Jackie Peek, David Mathews, Pat Gilbert, Terri Womack, Debra Gardner, Dana Pigg, Joey Martin, Tim Littrell, Tommy Praytor

Board Members Electronically: Heather Smith

Board Members Absent: Leigh Frances, Benita Owens, Dawn Owens, Jennifer Taylor, Joe Holmes, Tim Thrasher

Advisors Present: Matt Holmes, Allen Stover, Barbara Sittason

Advisors Electronically: Stephanie Pitts, Marcie Hill

Advisors Absent: Pat Busing, Tricia Culpepper, Paul Lott, Corey Williams, Rise Simmons, Bruce Gordon, Sheryl Marsh

Legal Counsel to the Board: Jonathan Watson

Introduction of Staff and Guests

Michael Tubbs introduced all those present and Heather Smith, Stephanie Pitts and Marcie Hill who connected electronically. He recognized the following new members: Joey Martin as an appointee of the Cullman County Commission, Jonathan Watson who is serving as legal counsel to the agency and Board replacing Bingham Edwards who retired, Keunna Swoopes as the Head Start Policy Council Representative to the Board and Dana Pigg as the new appointee of the Mayor of Decatur.

Mike recognized Jordan Stevens as a communications intern who is working with Holly Hicks for a short time and Megan Claborn as the new employee in the Fiscal Department. He thanked everyone for their attendance at the meeting today.

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.

Roll Call to Establish Quorum

Allison Speegle conducted roll call and a quorum was established.

Approve Officers for 2018

David Mathews stated the Nomination Committee met on January 25th and stated the Nomination Committee report was sent electronically to all members and advisors prior to the meeting. This information is listed under Tab 1 in the notebook. It is the recommendation of the committee to present the following slate of officers to serve for 2018:

David Mathews – Chair
Tim Thrasher – Vice Chair
Bruce Jones – Secretary

The floor was opened for any additional nominations. There being no further nominations David Mathews asked for a motion to approve the recommended slate of officers to serve for 2018. Tim Littrell motioned. Terri Womack seconded. Motion approved with roll call vote. At this point in the meeting Judge Shelly Waters conducted a swearing in ceremony of the officers.

Mike reminded all in attendance that we conduct a roll call because we have a board member on skype.

Acknowledge Bingham Edwards

Michael Tubbs said it is with mixed emotion we honor Bingham Edwards. He has seen this agency through some critical moments and has always represented the agency with good legal counsel and wisdom. Mike stated that Bingham personifies what every community action agency should have as legal counsel. Mike presented Bingham with a gift of appreciation. Bingham thanked the board for allowing him to be associated with this board over the years.

Recite Mission of the Agency

David Mathews led all in reciting of the mission statement.

Approve December 14, 2017 Minutes

The minutes were sent electronically to all members and advisors prior to the meeting. This information is under Tab 2 in the notebook. David Mathews opened the floor for any questions and/or corrections. There being no corrections David Mathews asked for a motion to approve the minutes as received. Tommy Praytor motioned. Tim Littrell seconded. Motion approved with roll call vote.

Acknowledge Keunna Swopes – Policy Council Representative to the Board
Jennifer Taylor – Cullman County Community Sector replacing Tim Thrasher
Tim Thrasher – Cullman County Public Sector replacing Jennifer Taylor

Michael Tubbs stated that the Head Start Policy Council has a slot on the board and elected Keunna to serve. The Mayor's Association in Cullman appointed Tim Thrasher and a community election was held at Sara's Ridge in Cullman and Jennifer Taylor was elected to serve. Jennifer completed her 5 year term as a Public Sector member and had expressed interest in continuing to serve at least another year.

Financial Committee Report

The financial reports were sent electronically to all members and advisors prior to the meeting. This information is listed under Tab 3 in the notebook. Lorrie Mauro, CFO stated the Financial Committee meets on a monthly basis. The financial reports were projected on the screen and reviewed. The Financial Dashboard shows the key ratios of the agency and compares to the prior year. The second page of the report is the trend lines of page one. The Statement of Revenues and Expenditures reflects the current year actual net revenue of \$204,857.35. The following pages of this report represent the detail of page one. The Balance Sheet Consolidating Financial Position is a snapshot of the balance sheet at the end of this period. The consolidated entities are the apartment complexes. The Statement of Activities Expenditures Combining Schedule of Activities w/Budget reflects each grant of the agency and what transpired for revenue and expenditures. Head Start 12 County is the largest grant with a \$17 million dollar budget. Financially it should be at 58% of the grant cycle. Lorrie stated the percentage of budget used is the monitoring tool used to make sure things are on track. Madison/Limestone Early Head Start has a total of 4 classrooms with 56 children enrolled with a total budget of \$1,021,911. Should be 92% of the grant cycle and 64% has been expended. Head Start Madison/Limestone has a total of 21 classrooms with 357 children enrolled with a total budget of \$4,531,924,440. Should be at 92% of the grant cycle with 67% expended. Lauderdale County Head Start grant has a total of 13 classrooms and a \$4.5 million dollar budget. Should be at 84% of the grant cycle with 80% expended. Pre-K should be at 33% of the grant cycle with 10.06% expended. Lorrie stated this grant supplements 25 classrooms. Home Visiting Grant (PAT) is where employees go into the homes and assists parents with childcare. Should be at 33% of the grant cycle. The childcare partnerships are where we contract with other providers. There are a total of 88 children enrolled. Should be at 33% of the grant cycle with 24% expended. Lorrie will look to see why the snapshot report reflects a zero budget. USDA grant is for the food for the classrooms. Should be at 33% of the grant cycle with 29% expended. Credit Card Expenditures for the month was reviewed. This includes the American Express, Office Depot, Home Depot, Wal-Mart and Wright Express. General Ledger Transactions reports were reviewed. The first report is sorted by dollar amount. Anything with an "a" is direct services where a bill was paid on a clients behalf. The second report is any vendor who received more than one payment during the month.

The floor was opened for questions and/or discussion on the financial reports. Lorrie stated that if anyone had any questions at any time to please contact her or Allison. David Mathews reminded everyone that the Financial Committee reviews these reports in detail. David Mathews asked for a motion to approve the financial report as presented. Bruce Jones motioned. Tommy Praytor seconded. Motion approved with roll call vote.

Appoint Financial Committee Member to Replace Heather Smith

David Mathews stated that Heather's work schedule does not allow her to attend meetings on a regular basis. He stated that Joe Holmes has expressed an interest in serving in this capacity. The floor was opened for any other nominations. There being no other nominations David Mathews asked for a motion to approve Joe Holmes to serve on the Financial Committee replacing Heather Smith. Joey Martin motioned. Terri Womack seconded. Motion approved with roll call vote. David thanked Heather for serving on this committee.

Authorize Executive Committee to Review and Approve 12 County Re-Competition Grant for Submission

Kim Dodd, Director of Children's Services stated she was requesting approval for the Executive Committee to review and approve the 12 County re-competition grant which is due April 9th. She stated that due to the timing of the board meetings this grant is due before the next scheduled board meeting. Kim said this goes back to 2016 when the review team came in and one of our classrooms had an issue. They wrote it up and we received a deficiency. Now the process is (DRS) Designated Renewal system and must re-compete for the grant. Tim Littrell asked for clarification on process. Kim said we had to clear a deficiency which we did. This is part of the process. She said the situation was with a child that was acting up and another child was physically sick in the classroom and the reviewer said the teacher ignored the child. We did clear the deficiency, which was under Standards of Conduct, but we still have to re-compete for this grant. Michael Tubbs stated that we can look at it as a way to reset the grant. He said we will be looking at what quality measures can be implement, what more can we do with the grant and not just replicate the old model by looking ahead. There is pressure on classrooms to deliver high quality services. We have reduced classrooms size but we are still looking at what can we do so staff will not be overwhelmed. He said a full explanation will be provided to the board at the April board meeting and we will operate the current grant until the Office of Head Start gives us a green light long term. There being no further questions and/or discussion David Mathews asked for a motion to authorize the Executive Committee to review and approve 12 County Grant Re-Competition Grant for submission. Tim Littrell motioned. Terri Womack seconded. Motion approved with roll call vote.

Housing Committee Update

Michael Tubbs stated that Paul Lott was going to present the report today but was unable to attend. This committee meets on an as needed basis. We have 37 properties across three states. The Millbrook property has just completed lease up. There is major construction currently being done on a project in Ft. Payne. Will break ground soon on a project in Moody. Application has been submitted to AHFA for a project in Cullman near Eva Road. Seville in Decatur has 3 homes built and a contract has been signed for construction of 2 new homes to be built by Hyde Homes. There have been some recent theft issues at the Lanier property in Montgomery with air conditioner units being stolen. Security cameras and fencing have been installed. The Montgomery City Police Department is working with us along with the City of Montgomery. Mike said as a reminder projects create risk and liabilities for the agency and when we asked you to approve something we are in it for the long haul. We just sold a rental house in Decatur. Weatherization and CDBG grants are still ongoing. We have an opportunity in South Carolina for new development. We have four apartment deals in South Carolina currently and we are being asked to be a partner on a deal that we think is very good. Tim Littrell asked about the problems in Montgomery. Mike said that the East Fairview area had been in decline and the city wanted to bring the community back. A housing project was torn down and 5-6 years ago 3 houses were built and the builder abandoned them. The City of Montgomery asked us to come in and help develop the property which we did. We do not have a constant presence in Montgomery. We built 17 homes and they leased up quick. The city then came back with additional CDGB money and wanted 9 more homes built which we did and it is a beautiful development. The surrounding area is a low income community with some difficulties. We have a property manager in there but because some homes were vacant they became a target. The police department has agreed to help us. We are taking housing business unit money to build security in this development. Currently this property is about 77% leased. We can monitor this now. We had one home that was occupied that was broken into and also a vehicle was broken into. There is a possibility the City might reimburse us for some expenses but not sure. There are also children in this area. Tim asked if there has been an incidence of anyone being hurt to which Mike said no. We have met with residents and assured them we are going to act. We have found that if you do not have cameras watching parking lot crime can happen. We are now doing this with all projects. We realize in some places we go crime was already present. We are doing best we can as quick as we can. Dave Truitt said we have had meetings with the property manager and Police Department and we are working on forming a neighborhood watch group. We are learning the difference between community development and housing development. Dave will be in a meeting next month trying to develop partnerships with other non-profits to help us provide services and strengthening our relationships. The floor was opened for any additional questions and/or discussion. David Mathews asked for a motion to approve the Housing Committee report as presented. Pat Gilbert motioned. Joey Martin seconded. Motion approved with roll call vote.

Resolution for The Village at Dupont Landing – South Carolina

A copy of the resolution was sent electronically to all members and advisors prior to the meeting. A copy of the resolution is under Tab 4 in the notebook. Dave Truitt reviewed the resolution and stated this is for a potential project. This application will be submitted on March 9th in partnership with Bennett Group. This will be 46 units built duplex style. 8.3 million Development cost. The local church formed a CDC for affordable housing. The Bennett Group has an existing property located next to this property and the Church has an invested interest. We have been doing 50% and this one will be smaller due to Bennett having multiple consultants in South Carolina and we are not providing any upfront equity in this deal. Only financial risk on front end is \$40,000 pre-development risk which we will split with Bennett group. This gives us an opportunity to provide affordable housing outside of Alabama. We have one chance each year to submit applications. The floor was opened for questions. Tim Littrell asked what the surrounding neighborhood was like. Dave said the Bennett Group has a family development next door and the property is in good shape. David said that he has visited the site. CDC also has some single family projects near the property and they work closely with the property manager. It is in a good location in the city. Neighborhood and community-wise it is in a good area. Jonathan Watson asked with this being in South Carolina for Dave to expand about the risks and benefits associated. Dave said the risks will be similar to tax credit deals in Alabama. Home funds have a 20 year tax period and after 15 years you can get out of them but that is not our goal. There is compliance, maintenance and management costs. The initial financial deal is lower on this deal. In some ways geographically it may pose more risk due to time it takes to get there but we have a good relationship with Bennett who will also help us manage this. Tim Littrell asked about downside if we do not approve deal. Dave said goal for us is to get our eggs out of the AHFA basket. They cap the tax credits each owner can do per year. We have one shot each year for project. We have to roll the dice on an annual basis and hope we get funded. Tim Littrell expressed concern over being involved in out of state projects in that the further away we get from north Alabama the larger the risks becomes of trouble and harder to keep up with what is going on. Dave said that he agrees but tax credit deals are highly subsidized deals and will not be located in struggling areas. Market studies have to be done for these type projects. It will take extra work to keep an eye on these deals but Dave stated that he does not see the same risks in this deal as in Montgomery. He stated there has only been one non-profit in South Carolina that has applied for tax credit and South Carolina requires a non-profit to come in with cash on hand. Dave stated that we are unique and strong in affordable housing and that tax credit deals are very complex. Terri Womack asked why do we not get tax credit deals in Alabama and is this providing revenue since we only have one shot a year. Dave said you have to have revenue to stay in the game. Some properties do well and some do not. He said that we can spend money in Montgomery because we have revenue from other properties. Michael Tubbs said we have 28 properties in Alabama with 72 single family homes in Montgomery that perform well. The city of Montgomery asked us to partner with them and we did this and in hindsight we were rescuing the city and trying to build relationships. He said there are

a number of non-profits in Montgomery but they asked us because of our experience. The South Carolina deal is different but we feel very confident with the church that it can produce positive cash flow just like the four current deals we have. Distance is a factor but it does not limit us. We do not chase bad deals but we have learned from the Montgomery experience. We worked with the City of Decatur to build Seville. Risks and liability is an issue but we try to have balance around this. The assurance is we have an asset management team and they are watching these issues all the time. Montgomery is currently our hiccup. We feel that the Village at Dupont Landing will lease up and cash flow. It is a new development and there is always risk and issues and you are doing business through the IRS and David Mathews understands this from a banking side. We are chasing a good deal. David Mathews said that Montgomery is not typical of a tax credit deal. He said that he has financed deals for over 25 years over several states. You do have problems but he does not see a comparison between Montgomery and this property in that it is located in Aiken which is a suburban area. He said that Bennett has a long history of good performance and he likes having a church as a partner. Dave Truitt said that tax credit deals are different, we are not the only vested interest and the Housing Finance Authority also has risk. These deals are heavily monitored and numerous entities watch to make sure they will succeed.

Dave Truitt referenced the resolution which he said was a standard resolution and authorizes us to form partnerships and legal entities. There are clauses about material participation. Deferred fee is also included. Every tax credit deal we do has deferred fees but it was spelled out in this resolution. Jonathan Watson has spoken with lawyer that created resolution. Jonathan asked if 0% interest rate is standard to which David Mathews responded yes. David Matthews reminded everyone that we are only applying and have a 50/50 percent chance. He said this is a very competitive process and there is no guarantee to get funded. The authorities look to see how close the property is to grocery stores, doctor offices, pharmacies. Dave Truitt stated that award announcement would be sometime June-July. There being no further discussion David Mathews asked for a motion to approve the Resolution for The Village at Dupont Landing – South Carolina. Pat Gilbert motioned. Terri Womack seconded. Motion approved with roll call vote.

Board Performance/CEO Evaluations 2017

A copy of the Board of Directors Evaluation 2017 was sent electronically to all members and advisors prior to the meeting. A copy of this information is under Tab 5 in notebook. David Mathews stated the Executive Committee met in December and completed this evaluation and also conducted performance review of the CEO. David gave a brief overview of the board performance document and CEO evaluation. The floor was opened for questions. David Mathews asked for a motion to approve the Board Performance/CEO evaluations 2017. Tommy Praytor motioned. Joey Martin seconded. Motion approved with roll call vote.

Customer Satisfaction

A copy of this information was sent electronically to all members and advisors prior to the meeting. This information is located under Tab 6 in the notebook. Laurie Lincoln-Swaim stated this is a requirement by the funders. She stated there are 82 standards of which 58 are national and 24 are State. The customer survey asked 9 questions and the results are provided. Information is reviewed with Cindy Anderson to see where areas need to be improved. If there are significant changes or gaps we will make the board aware. We had one respondent asked if we would call them so they could relate in person the positive service received. The floor was opened for questions. This item does not require approval.

Results Report – Preliminary Community Needs Resource Assessment Report

A copy of this information was sent electronically to all members and advisors prior to the meeting. This information is located under Tab 7 in the notebook. Laurie Lincoln-Swaim gave a brief PowerPoint overview and stated the detailed information is in the notebook. She stated this process began in early 2017 and it is required to be completed every 3 years. This feeds our strategic plan. This is a critical step for us to remain as a CAP agency. We determined outcomes of process and identified process. Designed instruments around family, community and valuable resources. We then defined audiences with partners, community members and clients. We had a partner survey and community survey for clients which had to be adjusted due to limited participation beyond our 3 core counties. The community survey was translated into Spanish. Results of survey showed 6 key areas of need - Childcare, healthcare, housing, jobs, utilities and food. The senior needs are embedded in these others but did not come out as a separate need. One thing that is new is the requirement of asking what resources are used most often. We reported out and took government agencies out of this because the money we have to partner is government money. The purpose is three fold – insight of who community turns to for resources, validates partnerships we already have and validates the programs we have. We asked for top 10 resources for each county for most used resources. Laurie stated that she has the data that ranks these for anyone who would like to see it. She stated that we had focus groups that joined the CNR committee to frame up the questions asked during these meetings. The causes and conditions were reviewed for each of the 3 core counties. Identified the 6 individual family and community needs behind the top six needs. The key findings validated what the community was telling us.

Laurie thanked the committee members and staff that have served. The floor was opened for questions. David Mathews asked for a motion to approve the Results Report – Preliminary Community Needs Resource Assessment Report as presented. Terri Womack motioned. Pat Gilbert seconded. Motion approved.

Executive Directors Report

A copy of the Executive Directors report was sent electronically to all members and advisors prior to the meeting. This information is under Tab 8 in the notebook. Michael Tubbs stated the next board meeting will be April 26th. He stated that at each meeting we will have things to inform and educate you about. The Financial Committee meetings are monthly. The Search and Selection Committee is meeting immediately following this meeting. The job announcement will be released on March 15th. Process will unfold during June/July. The Board of Directors will vote to approve selection.

Mike stated the work is done by the 500 people at the agency. He stated that he has an open door policy not only for staff but for Board. The agency is healthy. Funding is not in jeopardy today but we do rise and fall with approvals from Washington. Potential government shutdown means we have a 2 week window to draw down funds which about 98% is federal. We keep staff informed. If a shutdown happens we would stop work and close classrooms. We will update board as necessary. From time to time we get phone calls from news stations to see how this would affect us. Mike said he tells everyone we are all temporary employees and we are dependent on federal money.

Other Business

David Mathews opened the floor for any additional business. There being no further business he thanked everyone for their time and participation. The meeting adjourned at 10:40 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board.

David Mathews, Chair

Bruce Jones, Secretary

Reviewed by Michael Tubbs, CEO

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF
COMMUNITY ACTION PARTNERSHIP
OF NORTH ALABAMA, INC.
a Non-Profit Corporation
(Lanier Place 2 Phase 3)**

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Community Action Partnership of North Alabama, Inc., an Alabama non-profit corporation (the "Corporation"), that the following resolutions were adopted at the meeting of the Board of Directors of the Corporation April 26, 2018:

1. **RESOLVED**, that the following officer(s) of this corporation: Michael Tubbs, CEO is hereby authorized on behalf of this corporation to take, from time to time, all or part of any of the following actions on or in behalf of the corporation to execute and deliver to Federation of Appalachian Housing Enterprises, Inc., (the "Bank") (i) a Promissory Note and/or Loan Agreement ("Loan Agreement"), Pledge and Security Agreement and other documents and instruments providing for borrowings by the corporation from Bank and the grant to Bank of a security interest in, and liens against, the corporation's assets, to secure the corporation's payment and performance under the terms of the Loan Agreement and other obligations, debts and liabilities of the corporation to Bank, and (ii) all other notes, agreements, documents and instruments, including, but not limited to, financing statements, contemplated by the Loan Agreement, with said Loan Agreement to be substantially in the form of that presented to the Board of Directors of the corporation, with such additional, modified or revised terms as may be acceptable to the officer executing the same pursuant to these resolutions. The Bank shall have the right to inspect and audit, at reasonable times and intervals, the collateral pledged or encumbered and any records pertinent thereto.
2. **RESOLVED**, that the corporation is authorized to borrow funds from the Bank in the following amounts: Lanier Place 2 Phase 3 permanent financing of \$408,000.00.
3. **FURTHER RESOLVED**, that all acts and deeds hereto done by any director, officer, or officers of the corporation for and on behalf of the corporation in entering into, executing, acknowledging, or attesting in the arrangements, security agreements, agreements, instruments or documents, in carrying out the terms and intents of these resolutions are hereby ratified, approved and confirmed.
4. **FURTHER RESOLVED**, that the Bank may rely on each of the foregoing resolutions remaining in full force and effect until otherwise notified by an officer of the corporation.
5. **FURTHER RESOLVED**, that the assistant secretary or any other officer of this corporation be and hereby is authorized to certify to the Bank a copy of these resolutions and the names and signatures of this corporation's officers.

Chair – David Mathews

Secretary – Tim Thrasher

Date

Date