

**Hennepin South Services Collaborative
BOARD of DIRECTORS MEETING
Wednesday, November 7, 2007**

Richfield Schools Administration Building – School Board Meeting Room

MINUTES

Board Members Present: Mark Bernhardson, Barbara Devlin, Les Fujitake

Mandated Partners Board Members Present: Karen Zeleznak, Bloomington Public Health; Gloria Lundberg-Jorgenson, Hennepin County

Liaisons Present: Gretchen Durkot, E.P. Schools; Carol Huttner, Bloomington/Richfield Schools; Denise Royer, City of Bloomington; Molly Koivumaki, City of Eden Prairie

Guest: Daryl DeKam, CPA, Virchow Krause and Company LLP

Staff Present: Daryl Coppoletti, Laurie Pennebaker

Call to Order

Devlin called the meeting to order at 3:15 p.m. and welcomed the group.

I. Approval of Agenda

**Bernhardson moved & Koivumaki seconded the motion to approve the agenda.
*Motion Carried.***

II. Approval of Minutes – August 8, 2007

**Bernhardson moved & Durkot seconded the motion to approve August 8, 2007 minutes.
*Motion Carried.***

III. 2006 Audit Report

Mr. DeKam presented the 2006 audit completed in May 2007, but due to scheduling conflicts this was the first opportunity for him to attend our board meeting. He cited three material weaknesses resulting from our agency having only two full time employees:

- Segregation of duties – ideally, each financial task is completed by a different person to safeguard assets. Coppoletti & Pennebaker divide duties so that assets are protected. Financial statements are presented at each Board meeting for oversight.
- Internal control over financial reporting – annual financial statements are prepared by the auditor rather than our agency. Devlin asked if HSSC might purchase a fixed number of hours from one of the partners to prepare the annual financial statements before the audit. DeKam said that is an option.
- Internal control documentation – all major processes should be documented in writing in enough detail that another person can fulfill the requirements of a particular process by following the explanation.

Other comments were made by DeKam about the budget variances. Coppoletti said the budget now reflects all grant activities, including the pass through dollars.

Coppoletti will post the 2006 audit on the website upon approval.

**Bernhardson moved & Fujitake seconded the motion to approve the 2006 Audit Report.
*Motion Carried.***

IV. Research, Planning, and Coordination (RPC) – Daryl Coppoletti, Regional Planning Coordinator

- **Hennepin County contracts for 2007 – RPC**

Coppoletti reported that he has been informed that HSSC is not included in the Hennepin County Human Services and Public Health Department 2008 budget to fund our regional planning efforts. He attempted to set up a meeting with three of our County Commissioners to advocate for RPC funding to be included in the 2008 County budget, but the meeting had to be cancelled by the commissioners. Coppoletti met with the staff of Commissioners Johnson and Dorfman and was told that in order to be put back in the budget, a commissioner must sponsor an amendment. He presented a document to the Board that highlights the accomplishments of HSSC and “talking points” for advocating to the commissioners the value of funding HSSC’s research and planning. Coppoletti would like as many HSSC Board members and Partners as possible to contact one or more of the county commissioners.

Bernhardson moved & Durkot seconded the motion to send a letter signed by our board chair asking for Commissioners Johnson, Koblick, and Dorfman to sponsor an amendment restoring our funding in the 2008 Hennepin County budget.

Motion Carried.

Devlin asked Coppoletti to draft the letter and she will sign it. Coppoletti will also send out the “Talking Points” and contact information to Partners and Providers in order to send a clear message to the County that this is a valuable service to our South Hennepin communities.

- **2007-2008 Work Plan update**

Coppoletti reported that he is working with Northwest Hennepin Human Services Council to prepare a report on the increasing problem of foreclosures in suburban Hennepin County. He included a sneak peek of the fact sheets for board review. Coppoletti receives monthly updates of addresses of foreclosures in suburban Hennepin which he then adds to the report. He will be sending these out to the community soon.

Koivumaki reported that the City of Eden Prairie is looking at helping with foreclosure prevention using Community Development Block Grant dollars.

Fujitake commented that it would be helpful to the schools to know how many children might be affected by eviction due to foreclosure. Coppoletti offered to send addresses of Bloomington foreclosures to allow the schools to cross check student addresses.

- **HSSC 2008 Calendar** – Coppoletti distributed the HSSC 2008 calendar with Board meetings and other important events scheduled for the year.

V. Family Services Collaborative (FSC) – Laurie Pennebaker, Family Services Collaborative Coordinator

- **2008 LCTS Funding Proposal** – Pennebaker asked the group to look at the LCTS Priority Scale for funding 2008. The CAT team reviewed the proposals to ensure they met the state guidelines and that they are aligned with the HSSC WorkPlan. The CAT discussed the decreasing dollars and the importance of getting the most out of each and every dollar earned; they discussed the Third Way Network, although it does great work, is required to spend \$3,500/family for training to become self-sufficient in the “Circle to Success” program, therefore, the CAT recommends that the board approve the proposed spending for 2008 and to send a message to Third Way Network that consideration of any future funding will be conditional on a review of required outcomes.

Bernhardson moved and Fujitake seconded the motion to approve the 2008 LCTS Funding and to authorize HSSC to send a letter to Third Way Network and a copy to the Richfield Community Council explaining that consideration of any future funding will be conditional on a review of required outcomes.

Motion Carried.

- **LCTS Update** – Pennebaker updated the group on the LCTS collaborative earnings for the second quarter of 2007. Compared to second quarter 2006, the earnings are down about 19%. The schools and public health continue to do a great job administering the Time Study. HSSC also received \$28,000 for the Allies for Change grant and \$30,000 for the Primary Project in 2007-2008 school year. Each of the three school districts has received a check for their portion of the grants.
- **Alliance Update**
An Alliance update was provided in the packets. Pennebaker explained that there have been discussions recently of which the board needs to be aware:
 1. Proposed federal changes to LCTS – if these changes go through, claiming will be reduced by as much as another 50% - if that happens, the state may opt out of the LCTS claiming.
 2. Federal OIG audited sampled school districts for 2004 and determined \$9.7 in disallowed earnings - \$2.9 in Hennepin County / State Attorney General entered an appeal, which may take years to settle. The group discussed what actions can be taken as a collaborative to reduce the potential impact on our school districts, as well as potential risks. Bernhardson suggested we keep this topic on the agenda for February, depending on the updates; we might discuss freezing the funds in the HSSC Integrated Fund until we know what the final decision will be. Pennebaker and Coppoletti agreed that no 2007 generated LCTS dollars or interest generated dollars should be allocated until we have a decision on where and when this payback amount will be collected.
 3. The Alliance Council passed a 1 vote per school district model to streamline business meetings and improve coordination.
 4. The 2008 LCTS Financing Framework meeting is scheduled for Friday, November 15. Each of our school districts is represented with two votes, six votes for our collaborative.
- **Homeless Prevention and Emergency Services Update**
Pennebaker included an update on the Homeless Prevention and Emergency Services contracts with Hennepin County. She highlighted a VEAP success story about a Bloomington veteran experiencing a short term crisis, where the City of Bloomington & VEAP collaborated in keeping the individual in her Bloomington housing of forty years.

Pennebaker reported that the joint funding proposal for additional homeless prevention dollars to come into the South Hennepin Region was a success. HSSC was awarded \$122,230 in new funding.

VI. Financial

- **HSSC Disbursements** – Coppoletti included a list of disbursements from 8/9/07 through 11/7/07 for board review and financial oversight.
- **Balance Sheet and Profit & Loss** – Coppoletti presented both reports for review as directed by the auditors.

Bernhardson moved & Fujitake seconded the motion to accept the financial reports.
Motion Carried.

- **Revised Financial Management Policies and Procedures** – Coppoletti explained that he revised the Financial Management document to update outdated language, contract descriptions, and keep it non-specific to avoid annual updates.

Bernhardson moved & Zeleznak seconded the motion to approve the Financial Management Policies and Procedures.
Motion Carried.

- **Coppoletti's Expense Report – August through October 2007**

**Bernhardson moved and Durkot seconded the motion to approve Coppoletti's Expense Report.
*Motion Carried.***

VII. Next Meeting

- **Revised 2008 budget**
- **LCTS Financing Framework Approval**
- **Interagency LCTS Agreement Approval**
- **Future funding from HSSC discussion**
- **Coppoletti's annual performance review**
- **Nominations for HSSC Board Chair upon Devlin's retirement in June**

VIII. Adjourn

Devlin adjourned the meeting at 4:40 pm.

**~ Next Meeting ~
Wednesday, February 13, 2008
Bloomington Schools – Educational Services Center (Room 601)
3:00 – 4:30 pm**