

**Hennepin South Services Collaborative
BOARD of DIRECTORS MEETING
Wednesday, August 13, 2008**

Richfield Public Schools – Administration Building Board Room

MINUTES

Board Members Present: Robert Slotterback, Superintendent of Richfield Schools was able to attend for a short time to introduce himself, welcome the HSSC Board to Richfield Schools, and express an interest in meeting with HSSC staff.

Mandated Partners Board Members Present: Karen Zeleznak, Bloomington Public Health; Susan Bongaarts, Hennepin County

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

Staff Present: Daryl Coppoletti, Laurie Pennebaker

Guests: Daryl DeKam, Virchow, Krause & Co.

Call to Order

Zeleznak called the meeting to order, in the absence of a Chair, at 3:15 p.m.

I. Approval of Agenda

**Durkot moved & Huttner seconded the motion to approve the agenda.
*Motion Carried.***

II. Approval of Minutes – May 7, 2008

**Farris moved & Durkot seconded the motion to approve February 13, 2008 minutes.
*Motion Carried.***

III. 2007 Audit – Daryl DeKam of Virchow, Krause & Co. presented the 2007 HSSC Audit for Board review and approval. He highlighted page one of the report noting the auditor opinion to be presented fairly. DeKam pointed out page nineteen to be the detailed revenue and expense for 2007 showing income of \$40,076. He said page seventeen compared the original 2007 budget to the final leaving a fund balance difference of \$40,076. Finally, he reported the material weaknesses of HSSC:

1. There are only two full time staff to perform tasks that should be segregated
 2. Financial statements are prepared by the auditor
 3. Some material journal entries were identified and recorded during the audit
- All three of these identified areas are a reminder to the HSSC Board of Directors that they should carefully review HSSC financial statements on a regular basis.

**Huttner moved & Durkot seconded the motion to accept the 2007 Audit.
*Motion Carried.***

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

- **Hennepin County contracts for 2008 – RPC**

Coppoletti reported that funding for RPC activities for the second half of 2008 was approved by the Hennepin County Board of Commissioners, but the status of funding for 2009 is still undecided and appears to be an “uphill” battle. On July 31, 2008, Coppoletti met with Rex Holzemer, Area Director of Administrative and Community Services for Hennepin County’s Human Services and Public Health Department, and Susan Blood, Director of the Northwest Hennepin Human Services Council, to talk about the status of our RPC contracts for 2009. Mr. Holzemer stated that because of the enormous budget shortfall expected in 2009 and cuts to both personnel and contracted services, these contracts are just not a priority for funding by his department. Thus, the only way for us to secure funding for 2009 will be through Commissioner action in their budget process. Coppoletti will once again contact County Commissioners this Fall and also will encourage our community partners to advocate for the reinstatement of these contracts for 2009.

- **2007-2008 Work Plan update**

Coppoletti continues to obtain and analyze mortgage foreclosure auction data from the Hennepin County Sheriff’s website and will very soon be distributing an analysis of 30 months of foreclosure data (from January 2006 to June 2008). Findings show the number of Minneapolis foreclosures appears to be leveling off, while the number of Suburban foreclosures is continuing to increase. He stated that he has decided to delay the distribution of his analysis of affordable housing in the South Hennepin area so that it can be “packaged” with information he has gathered on “best practices” in creating integrated affordable housing in communities. He will ask the Self-Sufficiency Coordination Team to look at and comment on the “best practice” information before he distributes it to the HSSC community.

- **Development of 2009-2010 Work Plan**

Coppoletti gave an update on the progress of the 2009-2010 Work Plan. All three Coordination Teams have completed their three scheduled meetings in the Work Plan process – developing priority issues, identifying barriers, and developing specific activities. Clare MacDonald-Sexton is now compiling Team members’ feedback on the “Top 6” priority activities and will estimate the number of meetings for each activity to assist the Coordination Teams in their final determination of activities for the 2009-2010 Work Plan. Coppoletti and MacDonald-Sexton will then develop outcomes for each activity, and get final Coordination Team member feedback. Coppoletti said he will present the completed 2009-2010 Work Plan to the CAT at their October meeting and ask for their recommendation for approval by the Board of Directors at the November meeting.

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

- **LCTS Update**

Pennebaker was unable to report the first quarter 2008 LCTS collaborative earnings because the MA portion of the earnings has not been released. An email from the state, included in the packet, explains that the county will issue the first and second quarters of the IVE part of the earnings without the MA portion as soon as the earnings are released. The three schools and public health continue to do a great job administering the Time Study.

- **LCTS grant & Allies for Change payments**

Pennebaker said the second half of 2008 LCTS grant payments and the new Allies for Change payments will be sent out by August 31st.

- **Disallowance/Payback**

With the May HSSC Board’s decision to hold LCTS interest in reserve and enter into a three year payback agreement with the county, Pennebaker reported that the HSSC agreement to pay back the collaborative disallowance of \$414,958 in three annual payments of \$138,319.33, with no added interest, was accepted by Hennepin County. Beginning in 2008, the county will invoice HSSC in the summer of each of the three years, with a 90 day window to make the payment. The current balance of LCTS interest will cover the first annual payment in 2008.

- **2009 Letter of Interest and timeline**

The 2009 Letter of Interest was included in the packet for review. After some discussion, the wording on how the budget part will be ranked was revised. Pennebaker will send the revised letters to all LCTS grant recipients.

Durkot moved & Koivumaki seconded the motion to approve the revised 2009 Letter of Interest
Motion Carried.

- **2009 LCTS Spending Plan – and future annual spending plans**

Laurie explained the CAT recommendation to approve the 2009 LCTS Spending Plan as follows: LCTS earnings from the 2nd, 3rd, and 4th quarters of 2007 and the 1st quarter of 2008 will be used to fund 2009 grants and that LCTS interest funds of \$138,319.34 will be used to pay the 2008 portion of the disallowance to the county. For 2010 and 2011, the disallowance payback amount (\$138,319.33) will be deducted from the annual earnings amount prior to grant determinations. For example, the 2010 Spending Plan will be earnings from the 2nd through 4th quarter of 2008 and the 1st quarter 2009, minus the \$138,319.33 paid to the county in 2009 for disallowance payback.

Durkot moved & Huttner seconded the motion to approve the 2009 Spending Plan.
Motion Carried.

The South Hennepin Regional LCTS Meeting is scheduled for Friday, September 26th, 8:00 am, Creekside room 110, to review 2009 Letters of Interest.

- **Alliance update**

Next Alliance meeting will be held on September 25th, 4:00 – 5:30 pm at Intermediate District #287 in room #318.

- **Homeless Prevention and Emergency Services Update**

Pennebaker included an update on the Homeless Prevention and Emergency Services contracts with Hennepin County. The success story is from PROP describing how an Eden Prairie single mother experiencing a short term crisis, was able to have assistance provided by PROP. One months rent from emergency funding administered by HSSC and food shelf support helped stabilize the individual in affordable housing; additionally, this helped her acquire additional medical coverage for her two disabled children.

V. Financial

- **Review Disbursements**

Coppoletti showed a list of disbursements from 5/7/08 – 8/12/08 for board review and financial oversight.

- **Balance Sheet and Profit & Loss**

Coppoletti presented both reports for review and financial oversight as directed by the auditors.

Huttner moved and Durkot seconded the motion to accept the financial reports.
Motion Carried

- **Revised 2008 Budget**

Coppoletti presented the revised 2008 budget with adjusted income and expense line items. Some incomes are now finalized (Hennepin County RPC contract, LCTS Admin rebates, and Contract Management) but interest income is still unknown. With the added county RPC income, the net effect is a projected surplus of \$3,835.74, rather than the deficit that was previously approved.

Royer moved and Farris seconded the motion to approve the revised 2008 budget.
Motion Carried

- **2009 Budget**

Coppoletti presented the 2009 budget, which currently includes no County RPC funding and no LCTS Administrative Rebates. Thus, the projected deficit is in excess of \$106,000.

Coppoletti said he will continue to pursue funding from the county for research, planning, and coordination. Other options to reduce the projected deficit by increasing income and/or reducing expenses will be explored.

Coppoletti reminded the group that Bernhardson suggested that HSSC use the reserve fund, as needed, until a better resolution to the budget deficit is established.

Koivumaki moved & Durkot seconded the motion to accept the 2009 budget.

Motion carried

- **Coppoletti's Expense Report – May 2008 through July 2008**

Durkot moved and Farris seconded the motion to approve Coppoletti's Expense Report.

Motion Carried.

VI. Other

- Koivumaki brought up the Hennepin County Regionalization Plan meeting which she attended. She would like to have support from HSSC in future discussions with the county, especially on the idea of transportation, because it is easier for a resident of Eden Prairie to get to Century Plaza than to another suburb. She mentioned the model that was put in place in Eden Prairie Shopping Mall where there are multicultural services from the county co-located with city services. Bongaarts said the county is looking at where county services are already located and how well it is working. She would have updates from the county for the next board meeting.
- Durkot was congratulated on her retirement from the Eden Prairie Schools in September. She will continue to be contracted by Eden Prairie Schools to attend HSSC Board, CAT, and perform LCTS duties. The Board expressed thanks to her for many years of service and appreciation for her commitment to the Eden Prairie Schools and HSSC. The group celebrated Durkot's retirement with refreshments.

VII. Next Meeting

- **HSSC Board Chair and Vice Chair election**
- **Approve 2009 LCTS Funding**
- **Financial review & oversight as recommended by auditor**

VIII. Meeting adjourned at 4:40 p.m.

~ Next Meeting ~
Wednesday, November 12, 2008
3:00 – 4:30 p.m.
Bloomington Civic Plaza – McLeod Room