

**ALBERTINA KERR CENTERS**  
**Governing Board Meeting Minutes**  
**July 22, 2019**  
**5 to 7 p.m.**

Kerr Admin Center, 424 NE 22<sup>nd</sup> Ave, Portland, OR 97232, Albertina's Garden Room

**Governing Board Members Present**

Teri Barichello, David Boxberger, David Connell, Miki Herman, Paul Litwinczuk, Jill Nickerson, Craig Payne, Lisa Powell, Karen Rasmussen, Laura Shipley, John Thoma, Dennis Warneke, David Wilson

**Governing Board Members Excused**

Aisha Furbach, Susan Hobbel, Melissa May

**A quorum was present.**

**Guests Present**

Jill Sherman, Gerding Edlen; James Smith, Akrom Moisan; Dan Cowley, Pence Construction

**Staff Present**

Anne Adler, Jeff Carr, Van Field, Owen Gibson, Tom Hurst (Interim CFO), Dr. Alfredo Soto (New Medical Director), Matthew Warner

**Convene** (David Boxberger, Chair)

David convened the meeting at 5:03 p.m.

**Introduce Dr. Alfredo Soto, New Medical Director**

New Medical Director Dr. Alfredo Soto was introduced. Dr. Soto has been an on-call doctor for Kerr for 17 years and started his permanent position on July 1, 2019. He was a medical director for Washington, Clackamas, and Polk County Mental Health. He has worked with Youth Care Coordination teams for Multnomah County Mental Health, and with Willamette Valley Community Health CCO. Dr. Soto joined discussions last week with Kerr staff and community partners regarding the development of a children's IDD subacute program, and is very excited to be a part of this project.

**ACTION: David Wilson moved to approve appointment of David Lake to the Governing Board of Directors for a term beginning July 22, 2019 through June 30, 2022, with assignment to the Finance, Audit & Compliance Committee for a term beginning July 22, 2019 through June 30, 2021. Teri Barichello seconded. The motion passed via unanimous vote.**

**ACTION: Teri Barichello moved to approve the consent agenda including:**

- **Minutes of the June 24, 2019 Joint Board & Foundation Meeting**
- **CEO Written Report**

**Miki Herman seconded. The motion passed via unanimous vote.**

**Workforce Housing Presentation** (Jeff Carr, Jill Sherman, James Smith, Dan Cowley)

- The presenters delivered an updated 75% complete Schematic Design of the housing, as well as a master plan concept for Gresham Campus.
- The vision is to create workforce housing and campus buildings that: 1) are complementary to the surrounding neighborhood; 2) create a central campus gathering point; and, 3) offer both common spaces and private, separate space for residents.
- Several multi-family housing models were explored. A single building was chosen as it provides the most efficiency and smallest footprint. The housing exterior design will be built in sections with architectural breaks

that give the appearance of variety and texture, avoiding a big box look. The main entrance to the residential building will face a side street, not the campus, to give further privacy. The floor plans offer comfortable, compact and efficient spaces with storage.

- Pence Construction has been involved in the project budget process to keep numbers as close to real costs as possible, approximately a 10% margin of adjustment. 30 of the 150 total units will be modified with upgrades for people with IDD, and those costs have been factored in.
- Inflation, all fees, insurances, development, permits, low income tax credits, etc. have also been factored into the project budget. A detailed pro forma is available if requested.
- Jeff has met individually with each Gresham City Councilor. He has also met several times with City staff and with David Widmark, who is a TOKNA volunteer, long-time Kerr supporter, and a current Gresham City Councilor. Jeff attended a City policy meeting on July 9<sup>th</sup> to be present when local projects were discussed. The City has to meet unit production goals in order to receive Metro bond funds. Final allocations should be known within 90 days.
- A project schedule of progress, if approved, was shared. The first two months will take the 75% Schematic Design to 100% completion, followed by several stages leading up to construction beginning on the 11<sup>th</sup> month.
- HUD 811 project rental assistance was reviewed. Oregon received 75 federal vouchers to use toward the 811 assistance program. Oregon has used 12 to 13 and received an extension to use or lose by September 30, 2021. The vouchers are worth \$190-250k annually over a 20 year period, meaning the vouchers could mean \$3.8-5 million toward Kerr's project over 20 years. This assistance program is not factored into project budget and would be additional funds.
- Two options were outlined for Governing Board members to consider in moving forward. Option A essentially authorizes spending \$225k now to complete the Schematic Design to 100% and complete the land use submission. This option affords a timeline of project completion that would meet the deadline for the HUD 811 rental vouchers. Option B waits to obtain the full \$1 million fundraising goal before approving completion of the Schematic Design and land use submission.
- There was discussion about the two options and the benefits and risks of each.
- There was a question regarding expectations of donors for returning funds if the project does not move forward. Donations to date are for development expenses and therefore probably not expected to be returned; however, Kerr will respond to inquiries appropriately should the project discontinue.
- The City of Gresham will present its strategy to Metro in August/September. Projects are expected to be selected in September.

**ACTION: Dennis Warneke moved that Option A be approved. John Thoma seconded. The motion passed via unanimous vote.**

#### **Financial Updates** (Jeff Carr, Tom Hurst)

Jeff introduced Tom and thanked him for the work he and Interim Accounting Manager Melody Tripp have put into continuing Kerr accounting functions during the recent staff transitions. Tom, Jeff and Karen Rasmussen met with auditor Gary McGee of Gary McGee & Co LLC and anticipate a fairly smooth audit, considering the turnover. Tom expressed his appreciation for coming into a nice assignment with a nice change of hands. Other assignments he has taken either did not have a hand-off or the position had been vacant for some time, therefore, many pieces were missing. Tom reported the accounting team is building a documented roadmap of processes. Items in last year's management letter have been noted and reviewed – segregation of payroll duties and reconciliation of donations and how they are recorded. Overall, Kerr is in good shape with a few less-impactful processes that need attention. When asked about the best and worst discoveries, Tom provided these: Best is the closing schedule with links and files; Worst is the challenge in learning the nomenclature. He found some single ledger items and folders referred to by different names without an aid, explanation or instruction. Tom is moving the department culture toward openness and sharing of files rather than maintaining silo functions. Cross-training will help the department run smoothly and efficiently. Functions and duties will be based on processes rather than individuals. Four positions are posted at this time. The Director of Accounting and Director of Revenue Cycle will be posted after the new CFO starts, allowing that

individual to select the directors. The audit will begin the second week of August. At this time, the estimate is for the agency to close the year with near \$80k to the positive. Final statements will be emailed to everyone when complete.

**Fundraising Updates** (Anne Adler)

Anne reported FY2018-2019 was a great success in fundraising. There are some significant goal increases for FY2019-2020, particularly in individual giving, planned giving and non-event corporate giving. A wine-tasting event is planned for the new Hillsboro kids' group home. A \$250k special appeal is planned for 24 Hours of Kerr that will offset salaries of behavior specialists. This year will look to expanding corporate support. TOKNA has a wine dinner scheduled for August 10<sup>th</sup>. Anne is recruiting for Foundation members. Connections and introductions are welcome.

**Highlights from the CEO Written Report** (Jeff Carr)

Jeff noted the progress being made on the IDD/MH subacute project. He also reported that an offer has been extended to a CPO candidate. Two candidates were very strong in the interview process and both would bring much talent and experience to the role. Jeff will provide an update as this develops.

**Executive Session**

Board members entered executive session at 6:43 p.m. The following minutes of the executive session were recorded by Matthew Warner:

In executive session, from which Dennis Warneke removed and recused himself, the Board received a report from Matthew Warner regarding the current state of consulting and brokerage services for its Health and Welfare Benefit plans, including service concerns with its current vendor, the RFP process undertaken earlier this year, and the likely selection of Benefits Design Group of Portland - where Director Dennis Warneke is a principal – as its new consultant and broker for these services. A robust discussion was held about the review process, pricing proposals, and the potential for conflict of interest.

**ACTION: John Thoma moved, and Laura Shipley seconded, that Management be authorized to proceed with their selection and engagement of Benefits Design Group under these circumstances, and the motion passed unanimously.**

**Adjourn**

The meeting adjourned at 7:00 p.m.

Recorded by Holly Edgar, Corporate Secretary