

**ALBERTINA KERR CENTERS**  
**Governing Board Meeting Minutes**  
**September 23, 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**

David Boxberger, Miki Herman, Susan Hobbel, Paul Litwinczuk, Craig Payne, Lisa Powell, Karen Rasmussen, Laura Shipley, Dennis Warneke, David Wilson

**Governing Board Members Excused**

Teri Barichello, David Connell, David Lake, Melissa May, Jill Nickerson, John Thoma

**A quorum was present.**

**Staff Present**

Anne Adler, Jeff Carr, Van Field, Owen Gibson, Tom Hurst (Interim CFO), Janice Jacobs, Derrick Perry, Craig Rusch, Matthew Warner

**Convene** (David Boxberger, Chair)

David convened the meeting at 5:02 p.m.

**Introductions: Janice Jacobs & Derrick Perry** (Jeff Carr)

Jeff introduced Kerr's new Chief Financial Officer, Janice Jacobs, and new Chief Program Officer, Derrick Perry.

**Approve Consent Agenda** (David Boxberger)

Approve Minutes of the July 22, 2019 Meeting of the Governing Board of Directors

Accept CEO Written Report

401k Resolution – Re-designate Trustees for 401k Plan

One correction was made to the July 22, 2019 minutes.

**ACTION: With the correction, Miki Herman moved that the consent agenda be approved. Susan Hobbel seconded. The consent agenda passed via unanimous vote.**

**Financial Update** (Janice Jacobs, Tom Hurst, Jeff Carr)

- Tom Hurst was thanked for his exceptional work during the CFO transition.
- For FY2018-2019 year end operating results, the programs returned a \$24k surplus. Subacute performed well. Adult group homes struggled due to vacancies. Outpatient mental health services also returned losses; however, the focus on census and productivity is showing recent improvement. Employment services came in very close to its budget, and Portland Art and Learning Studios performed better than its budget loss.
- Spending was under budget for June month end by \$185k and year end by \$1.4 million. Budget issues are revenue and contract related.
- There was a question and subsequent discussion about the ability to renegotiate contract rates and reimbursements. Rates are set by the State and are different for different programs using different systems of calculation. The challenge for the future will be identifying resources for care for adults. The current revenue model is not sustainable as the population is more challenging and the current workforce is not prepared for the higher acuity care.
- The balance sheet was reviewed and is in good order. Reconciliations need to improve. New accounting staff is in place and getting familiar with systems. Janice reported that the entire accounting department will be engaged in rebuilding systems and processes, and accountability to those processes will be expected.

**ACTION: Board members asked that Janice provide feedback on the progress the team is making.**

- Tom Hurst reported on the audit. Some processes seemed a bit loose in tracking mechanisms but there are no alarms. The accounts payable system, Avid, has some issues. The audit is helping to identify loose ends and specifics that need attention. An internal audit will be built and implemented by position and process rather than individual knowledge.
- July month end FY2019-2020 ended with a \$79k loss. Kids' group homes are carrying the programs' bottom line.
- A dividend from SAIF was not added to the budget.
- The 4% rate increase from the State for all DD services (except for kids' residential) was implemented in August (but not budgeted), and the 34% increase in wage reimbursements for DSPs in kids' DD services started in September. Kerr implemented DSP wage increase in September as well. All wage increases are in the budget.
- The Accounting team is looking into payables with the auditors to ensure a better balance.
- Discussion was held about the increase in volume of subacute referrals.
- Members asked about the future of adult group homes given the increase in higher acuity adults, and what happens to individuals who do not find placement. The answer is that many are just surviving, likely with much difficulty, and some with assistance from various agencies and some without. The topic is receiving growing attention at state levels and beyond. Kerr will continue to monitor the state and community direction to determine Kerr's best role.

#### **Fundraising Update** (Anne Adler)

- The 24 Hours of Kerr event gross estimate is \$509k and feedback indicates it was very successful. The new venue received high marks. Surveys will be distributed to attendees. 60-70 more people attended over last year and there were several new supporters.
- Christine Andersen and Chris Canter have been instrumental in getting the community rallied around the opening of the new Forest Grove kids' group home. An event featuring Apolloni wines was held to raise funds and awareness.
- Foundation member Rod Malone and his wife Molly are holding a salon party to gather friends and support around Kerr's art programs at Portland Art and Learning Studios.
- Marketing staff Jeanette Weston is working on local publications and securing print visibility.
- A fall appeal letter will be sent out at the end of October.
- Miki Herman offered to host lunches and outreach to promote Kerr and explore interest in joining Kerr's Foundation Board of Trustees.

#### **Executive Session**

Board members entered executive session at 6:35 p.m.

#### **Adjourn**

David Boxberger adjourned the meeting at 7:00 p.m.

Recorded by Holly Edgar, Corporate Secretary