

Albertina Kerr Governing Board & Foundation Trustee Retreat

January 31, 2020

Governing Members Present – David Boxberger, Dennis Warneke, Laura Shipley, Teri Barichello, Paul Litwinczuk, Craig Payne, David Lake, Melissa May, Karen Rasmussen, Lisa Powell, Susan Hobbel, Jill Nickerson, David Connell, David Wilson. **Members Excused** – **None**. **A quorum was present.**

Foundation Members Present – Miki Herman, Kim Curry, Catherine Bekoooy, Heidi Steeves, Sarah Robinson (ambassador board), and Jeff Carr. **Foundation Excused** – **Rod Malone**. **A quorum was present.**

Staff members present - Jeff Carr, Anne Adler, Owen Gibson, Van Field, Janice Jacobs, Derrick Perry, Craig Rusch, Toni Tringolo, Matthew Warner.

Convene - Jeff Carr convened the meeting at 10:00 am. He welcomed the group and introduced Linda Carpenter and Toni Tringolo. Linda led an introduction exercise.

Consent Agenda (Boxberger)

ACTION: David Wilson moved that the **Governing Board minutes be approved**. David Lake seconded. The motion passed via unanimous vote.

ACTION: Kim Curry moved that the **Foundation Board minutes be approved**. Heidi Steeves seconded. The motion passed via unanimous vote.

Financial Report (Janice Jacobs) – Janice quickly set the scene for the Accounting department which has gone through a heavy transition in the past few months. She then reviewed the financial priorities (included in handout) and discussed payroll findings from an internal audit. A review of the consolidated statement of activities as of Dec. 31, 2019 and also for the year-to-date showed Kerr is managing our expenses well. We are tracking very close to budget. A discussion followed.¹ Janice closed the discussion by reviewing the consolidated statement of activities and noting that she expects to hit the forecasted target.

Workforce Housing Update and Approvals (Jeff Carr) Jeff reviewed the Phase I and II activities and reported that both of these phases have been completed. He then shared the project's design update and landscape plan. Jeff noted the positive support from the City of Gresham with the new design. Some construction costs have increased as the design has progressed raising the per unit cost by \$30,000. A new design element is to create a Net Zero building through the use of solar panels and other energy efficiency projects. There is potential to assume 75% savings of all electricity bills allowing the property to support a larger

¹ Discussion: Boxberger asked, are we managing our expenses well because we've delayed expenditures. Carr, no. Powell asked if we are positioned to manage FTE adjustments if the economy has a down turn? Carr, explained the FTE count is still being sorted out thanks to Paycom. Warner, we are close to determining this figure.

loan. Private fundraising is on track to reach the next milestone of \$1,200,000. Anne noted there are some funds that hinge upon the City of Gresham committing to the project and if Gresham declines fiscal support then those connected funds will be at risk. Jeff explained the HUD 811 Project Rental Assistance program which could be worth \$200,000 in annual rent subsidies to the 30 tenants of the Universally Accessible units. The next goal is to hit a September 2021 Temporary Certificate of Occupancy. There is a tight schedule to follow. A discussion followed.² Jeff then presented Phase III, an authorization of additional funds, to continue the design work.

ACTION: Susan Hobbel moved to accept the proposed Phase III to spend an additional \$228,000 to continue design work, less prior savings in Phase I and II of \$43, 690. Teri Barichello seconded. The motion was approved unanimously.

CPO “First Impressions” (Derrick Perry) – Derrick shared his first impressions and summarized his written report. He reported that the staff are dedicated, eager, and compassionate. He is encouraged that Kerr is so well respected in the community. Derrick’s report focused on three primary areas (standardized practices, organized structure, and access to care) that he is working on at this time. This led into discussion about upcoming projects including a potential partnership with the Lake Oswego School District and creating a “single point of contact” for access to care to Kerr.

Business meeting adjourned at 11:45 a.m.

Change at Kerr – Timeline Video

LUNCH

Strategic Plan: Halfway There

Craig Rusch and Jeff Carr walked the group through the edits and proposed changes.

- Request to change “employee satisfaction” to “employee engagement”
- Survey tools and measurements discussion
- Brand awareness discussion – Kim Curry wants 4% notated. Better brand awareness leads to better understanding of what we do, leads to better referrals. Less waste of resources, better use of capacity.
- Fundraising goal at 10% of operating budget discussion.

Initiative Updates –

² Lake asked Carr to ID the top risks – Carr said schedule is aggressive and the bond from Gresham. Net Zero might be a risk, but it has a conservative approach. Powell asked Carr about making sure Kerr employees get a shot at the units – Carr said advanced marketing can help, but we have to follow the Fair Housing rules. Curry asked about geothermal – Carr said it hasn’t been considered. Herman asked about additional funding sources outside of the city to protect against the funding gap – HUD PRAs, net zero costs are built in but we haven’t explored additional subsidies yet. Herman asked if we have asked other Foundations yet? Carr, no we have not exhausted those resources. Connell asked, does the additional spending give you enough to accomplish what is needed? Carr – if the city says yes, then we move forward with the proposed schedule. If the city says NO for a portion of the 100% of their funding then we need to secure those funds elsewhere. If they say 100 % no, then Carr said the board should fire him. Lake asked if we don’t get the city funding, what are our obligations with the other raised funds? We honor those gifts and return what must and redirect if able.

- On target – 4 objectives
- Revised – 5 objectives (discussed earlier)
- Behind – 1 objective

Where are we now?

Clients served annually FY18/19 reviewed and discussed. There was a discussion about changes to the populations Kerr is serving and what that might mean for the future of residential care. Complex, co-occurring behavioral challenges are starting to land in our system and it's going to make our work even more challenging. This may require re-training staff to make it work. Discussion about ownership vs rental of group homes which led into a discussion about buying land and developing future homes ourselves. Further discussion about smaller group homes vs a larger residential facility. There are federal rules that regulate the way this is handled in order to still qualify for federal funding via Medicaid.

Break

Exploring Our Future – Kim Curry

Thought leadership on the community we serve and our role with that. Shaping culture and asking it go to a better place. Self-challenge to look at the norms and rethink how we move forward with Kerr's mission. We have great opportunity to learn from our feedback loop. Kim Curry gave example of the impact about broad support of Girl Scouts and how Kerr could proportionately grow from that same level of support. The work is vital and complex. It becomes harder to tell our story in a simple manner. Let's think about what we can do as board members to bring Kerr to the future with storytelling and data at the core.

Taking the Pulse of Kerr Leaders – Linda Carpenter

Linda led the group through a series of questions:

1. What are the 3-5 most important core competencies of Kerr?
2. What are the opportunities that are open to Kerr in the next 3-5 years?
3. What are the obstacles or challenges of the next 3-5 years?
4. If they had a magic wand, how would they use it?

Jeff Carr then shared the results of the same exercise with Kerr's key leaders and managers. It was remarkable how many people noted the funding issues in this exercise. There was commonality of themes across all the levels and communities. One person noted that Kerr's core competencies today are what our "areas for growth" were a few years ago. Our strategic plan is closely aligned to the issues identified in this exercise. Kerr is a self-aware organization. Someone noted that Jeff and staff mentioned growth, but the board didn't.

Saturday, February 1, 2020

Jeff Carr presented the new language to the strategic plan based on the conversation from yesterday. David Boxberger asked for a motion.

ACTION: Miki Herman moved to adopt the changes to the Strategic Plan as presented. Laura Shipley seconded. The motion passed.

Jeff and Linda welcomed the board. There was a check in and discussion about alignment and how to move forward as one. The questions of the day are: What is the vision of the board? What kind of future does Kerr want? Linda then led the group through multiple exercises:

1. What kind of board do we need to be to take Kerr into the future?
2. How engaged do we need to be?
3. What are the obstacles and challenges to creating that board?

Break

We resumed the individual and group exercises.

1. What does the board need to do in the upcoming year to move toward their vision?

A robust discussion followed about the board's role at Kerr and proposed changes to the board's structure. Linda led the group through a closing one-word summary. Jeff closed the meeting.