

ALBERTINA KERR CENTERS
Joint Governing Board & Foundation Trustees Meeting Minutes
April 20, 2020
5 to 7 p.m.
Via Teams

Governing Board Members Present

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

A quorum was present.

Foundation Members Present

Catherine Bekooy, Jeff Carr, Kim Curry, Miki Herman, Rod Malone, Heidi Steeves, Sarah Robinson

A quorum was present.

Staff Present

Anne Adler, Van Fields, Owen Gibson, Janice Jacobs, Craig Rusch, Matthew Warner, Derrick Perry

Convene (David Boxberger, Governing Board Chair; Miki Herman, Foundation Chair)

Miki convened the meeting at 5:10 p.m.

Approve Minutes of the January 31 – February 1, 2020 Joint Board & Foundation Meeting

ACTION: Miki Herman moved that the minutes be approved. Karen Rasmussen seconded. The motion passed via unanimous vote.

Approve Minutes of the February 26, 2020 Foundation Board of Trustees Meeting

ACTION: Heidi Steeves moved that the minutes be approved. Jeff Carr seconded. The motion passed via unanimous vote.

CEO Updates (Jeff Carr)

Jeff provided a high level report of the state of Kerr during the evolving COVID-19 crises, an update on workforce housing, and a description of the budgeting process for FY2020-2021.

- A team of 17 key Kerr leaders meet via Teams at 9 a.m. every day to check in and exchange information and updates related to the COVID-19 situation. When the calls started in March, they lasted an hour or more with questions and concerns. The team has worked well together over the weeks and now covers business in about 15 minutes. Kerr has had no positive COVID-19 test results to date. Throughout Kerr, workgroups have gotten used to using video meetings and sharing information via tools available in Teams. By necessity, staff have been forced to use Lean management methods, such as daily huddles, and people are reporting faster decision making and less slow conversations via email. People are seeing each other more using Teams meetings and Teams “phone calls” with video.
- The workforce housing project has met the \$1.2 million fundraising goal from private donors. The City of Gresham sent out a Notice of Fund Available (NOFA) for their portion of the regional Metro Housing Bond Funds and Kerr is submitting the application for funding. All indications are that Kerr

is in a strong position to be approved. If approved, construction would likely start in the September/October timeframe.

- The budget process this year for FY2020-2021 will be a more truncated process than in years past. There are too many unknowns at this time to build a traditional budget. This year will look more like a forecasting model, using trends and rolling data as time goes on. Census and the number of full beds drive the budget, so performance and targets will depend on data on a developing basis, week over week and month over month. The State is giving I/DD Residential Group Home providers a 10% increase in rates for April through June of 2020. It is uncertain what will happen in July. The many moving parts will be managed by the forecasting model.

Finance, Audit & Compliance Committee Update (Karen Rasmussen, Chair)

Karen provided a recap of the most recent FAC Committee meeting. Discussion items included: review and feedback on updated finance policies; current financial report; 990 tax filings; and progress on key priorities in the Finance Department.

ACTION: Janice Jacobs will follow up with the auditors regarding a question on lines 4A and 4B of the 990 tax filings and report back to the Board and Foundation members. (Update: Janice emailed the auditors' explanation Wednesday morning, April 21st.)

ACTION: Karen Rasmussen moved that the 990s be approved. The motion passed via unanimous vote.

Financial Update – March YTD FY2019-2020 (Janice Jacobs)

March MTD saw \$205k in losses in the programs. The bonus accrual was released back into operating funds, as bonuses will not be distributed this year given the uncertainty of the COVID-19 situation. Contract revenue for March was not good, although still strong YTD. YTD net shows \$589k in net losses. A \$500k+ gap in YTD funds between the operating budget and Foundation budget is being researched and is suspected to be an error in the complex intercompany transfers. The consolidated statement shows significant investment losses. A project code has been set up for COVID-19 related expenses. Purchase of personal protective equipment spiked. Staff hours that have been redeployed due to temporary program closures are being tracked via the project code. Staff who are self-isolating by doctor's orders out of caution are being tracked under a special code charged to Kerr rather than personal time off to ensure staff will stay home when sick. March is normally a high vacation use month. This year, 3,300 less vacation hours were used due to the virus situation, increasing vacation liability. Cash is being tracked on a seven-day rolling period to monitor the effects of the current situation. Bank of America stated they would approve an increase on the Line of Credit to \$2.3 million, as a precautionary move. Different scenarios are being reviewed for potential savings, and steps to make cuts in different areas may have to be implemented to conserve, such as suspension of 401(k) matches.

ACTION: Jeff Carr moved that the Line of Credit be approved to increase from \$1 million to \$2.3 million. Susan Hobbel and Karen Rasmussen seconded. The motion passed via unanimous vote.

Kerr COVID-19 Impacts

- Owen Gibson provided an overview of Kerr's Enterprise Emergency Management Plan and how it is guiding activities during the COVID-19 crisis.
 - Kerr key leaders meet daily to review status, communications and any new information to address the threat. Centralized communications start with Jeff so there is a single message going out to all Kerr staff.
 - Sanitation has been enhanced in all homes and facilities.

- Central sourcing and procurement of PPE has been established along with an inventory tracking system. Universal masking among staff has been implemented.
- Family visitations have been restricted and virtual conversations are being facilitated.
- Staff experiencing anxiety have been encouraged to use Kerr's employee assistance program for mental health services.
- While Kerr is to date still COVID-19 free, a quarantine plan is in place that utilizes the now empty 165th group home as an isolation facility should that become necessary.
- Lynne Wilford, Compliance Director, has been providing outstanding work on keeping up with enormous amounts of incoming information, temporary COVID-19 related updates to regulations, and guiding Kerr's compliance with all.
- Matthew Warner provided updates to HR support during the current crisis.
 - A special paid leave has been set up for Kerr staff to take paid time off for quarantine that does not take from regular vacation and sick time. This paid time off is covered by Kerr and is a way to encourage staff who might be sick to stay home.
 - Staff from PALS and Day and Employment services, that have been temporarily closed, have been deployed to other positions within Kerr.
 - Video town halls have been facilitated by Matt and Jeff for all employees twice per week, and one so far for managers only, to ensure consistent, calm and wellness-related messaging, and to allow all Kerr staff to ask questions and stay connected to the larger agency. Feedback has been very positive.
 - A question was asked about morale. People are doing as well as possible and working together very well. EAP is encouraged. Staff are also being encouraged to get creative, have some fun, and take breaks from thinking and hearing about the intensity of the current situation.
 - Some staff and clients have been tested for COVID-19 with no positive results to date. DSPs have been designated frontline health care providers and should have access to testing.
 - Matt has been the key producer of the town halls, video meetings and online presentations, and he has done a fantastic job. Thank you, Matt!
- Anne Adler provided an update on fundraising and events. Until the COVID-19 crisis occurred, all fundraising and events planning were going really well for the year, and even better than last year. A shortfall of \$665k in fundraising is projected for FY 2019-20. Contributing factors are event deferrals and cancellations and shortfalls in gifts and grants due to COVID-19, as well as the closing of the TOKNA shops. A Kerr Magic Moment Campaign has started, reaching out to donors and companies about ways to assist with COVID-19 relief opportunities. The Development team is entertaining the possibility of holding 24 Hours of Kerr in a virtual setting this year.

ACTION: Board and Foundation members are asked to reach out to Anne with Magic Moment ideas, 24 Hours of Kerr ideas, and other ways and opportunities the Development team can connect and support making appeals.

- Derrick Perry shared information about how the programs are doing and working during this time. Consistent communication, daily huddles, town halls and online channels to chat and share have been extremely helpful. Staff report feeling relieved and informed. Visitation to programs has been stopped as dictated by the State. Staff are having fun making masks and finding ways to be creative. A drop in referrals to subacute has occurred, but there is potential for an increase as family stressors increase. Some strategic priorities have been adjusted. Derrick sees this time as an opportunity to challenge people to find their strengths. Leaders will emerge. Integrating trauma informed care into the programs is a high focus item. This time has provided the challenge to concentrate on better ways to manage and communicate, and finding ways to support each other.

- Van Field described the personal protective equipment (PPE) procurement and newly created inventory tracking system. Sourcing and securing PPE became a challenge when COVID-19 became the focus of the entire country. The Facilities team had to figure what was needed first and then source the products, already in competition for procurement. Quarantine kits were conceptualized for group homes and for subacute with different items needed. An agency wide inventory was obtained and a system was developed to keep track of needs, items on hand, and items delivered as they arrived. A fully functioning inventory and distribution system is now in place. A list of needs was posted for Board and Foundation members to use in case of connections. Kerr is below the order of priorities for supplies.

ACTION: Please notify Van if you know of or have access to the following items: alcohol wipes, germicidal wipes, disposable gowns, hand soap, N95 masks, thermometer covers.

- Craig Rusch gave an update on the Epic implementation project. Mental health, Employment and Day Services, and 26 group homes are up and running on Epic. 27 group homes remain to be transitioned to Epic. No COVID-19 related changes have been added to Epic. Work is being done on streamlining referrals and shift changes, and also on reporting from the system. IT is looking at conducting remote training to continue the roll-out and onsite training will happen later. A question was asked about how the technology infrastructure is holding up as whole with increased use of video meetings and other technology utilization. Craig responded that things continue to work very well. Kudos were passed on to the whole IT team for their extraordinary work.

Board & Foundation Structure (Melissa May, David Connell, Jeff Carr)

Jeff opened the conversation by restating the issue of the Board and Foundation structure as it was discussed at the Jan-Feb Board and Foundation Retreat. Afterward, Jeff met with David Connell and Melissa May, both attorneys, to look over the Board and Foundation bylaws and to discuss some options for reorganizing to address the concerns expressed at the retreat. Three options emerged:

1. Keep the same structure with two boards.
2. Blend both boards into the Governing Board and discontinue the Foundation Board.
3. Narrow the Foundation Board's focus to managing the investment funds and endowment, and essentially operate as the Investment Committee, meeting quarterly.

Option #3 is the recommended change. David and Melissa provided mark-ups of the bylaws that would be needed to effect changes reflecting option #3. Virtues of this option include: 1) it addresses the concerns that Foundation Trustees were raising money but did not have a voice in how that money was utilized; 2) intercompany transfers of funds between the Board and Foundation are complex, time-consuming, and need to be streamlined; and, 3) provides Foundation focus on managing investments and endowments along with professional advisors. Option #3 also satisfies the desire to keep the investments and operating entities separate.

ACTION: Board and Foundation members are encouraged to ask questions, have conversations, and think about the proposed change to the structure. A formal vote will be held at the June Joint Board and Foundation meeting.

Executive Session

Board and Foundation members declined holding an executive session.

Adjourn

David Boxberger adjourned the meeting at 7:03 p.m. Recorded by Holly Edgar, Corporate Secretary