

ALBERTINA KERR CENTERS
Joint Governing Board & Foundation Trustees Meeting Minutes
June 22, 2020
5 to 7 p.m.
Via Teams

Governing Board Members Present

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

Excused

Susan Hobbel, Jill Nickerson

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)

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

Approve Consent Agenda

- Minutes of the April 20, 2020 Joint Governing Board & Foundation Trustees Meeting
- CEO Written Report
- Proposed Meeting Schedule for FY2020-2021

ACTION: David Wilson moved that the consent agenda be approved. John Thoma seconded. The motion passed via unanimous vote.

An update on the Marion County staff who tested positive for COVID-19 was requested. The staff is hospitalized and doing okay. All associated group home residents and staff were tested and all results were negative for COVID-19. No other reports of positive tests within Kerr clients and staff have been reported. Conversation was held about Oregon Health Authority notifying insurance carriers and providers expanding coverage and testing for all health care employees by the end of September. This is to be seen.

Recognize Outgoing Board & Foundation Members (Jeff Carr, All)

John Thoma and Catherine Bekooy will be terming off the Board and Foundation, respectively, beginning July 1st, 2020. Both of them have been invaluable members of Kerr board leadership since 2014. They will be greatly missed. David Boxberger was thanked for his two years as Board Chair. David will stay on as Immediate Past Chair while Miki Herman takes over as Chair, also beginning July 1st.

Review New Board Structure & Bylaws (David Connell, Jeff Carr)

Jeff thanked David and Melissa May for their legal expertise in updating the Kerr Governing Board and Foundation Trustees'. Appreciation was extended to David and Buchalter Ater Wynne LLC for re-writing the Articles of Incorporation and Bylaws on a pro bono basis. In addition to the updates, the purpose of

the revisions is to narrow the scope of the Foundation's focus to investment management, and to shift fundraising and all other duties to the Governing Board. The revisions reflect necessary changes to affect the two new boards and some changes to Oregon non-profit statutes, updating powers of the Board. Three members of the Foundation transitioned over from the Investment Committee, plus CEO Jeff Carr and one Board member will currently represent the Albertina Kerr Centers on the AKC Foundation Board. The majority of members will be elected by the Governing Board. The Foundation quorum changes to 50% to make a quorum. Section 7 of the Foundation bylaws came from the Investment Committee Charter. Some provisions around video conferences were updated, as well as actions taken by email. The Board Chair term is clarified to reflect being elected every year; however, the expectation is that the Board Chair will commit to serving two consecutive years. A new law updates conflict of interest statements. The code of ethics will be updated for review at the August meeting.

ACTION: Miki Herman moved that the Resolutions to be Adopted by the Board of Directors of Albertina Kerr Centers include:

- 1. Albertina Kerr Centers Amended and Restated Bylaws;**
- 2. Albertina Kerr Centers Foundation, Inc. Amendment to Articles of Incorporation; and,**
- 3. Albertina Kerr Centers Foundation, Inc. First Amended and Restated Bylaws.**

David Wilson seconded. The motion passed via unanimous vote.

ACTION: Heidi Steeves moved that the Resolutions to be Adopted by the Board of Trustees of Albertina Kerr Centers Foundation, Inc. include:

- 1. First Amendment to Articles of Incorporation; and,**
- 2. Amended and Restated Bylaws.**

Jeff Carr seconded. The motion passed via unanimous vote.

ACTION: Miki Herman moved that the Governing Board Approve New Terms for Governing Board Members Craig Payne, Karen Rasmussen, and Dennis Warneke Starting FY2020-2021 through FY2023-2024. David Lake seconded. The motion passed via unanimous vote.

ACTION: Melissa May moved that the Governing Board Approve the Following Members of the Foundation Board of Trustees to Transition as New Governing Board Members for Terms Starting FY2020-2021 through FY2023-2024:

- 1) Kim Curry – Program & Accreditation Committee;**
- 2) Rod Malone – Finance, Audit & Compliance Committee; and,**
- 3) Heidi Steeves – Program & Accreditation Committee.**

David Wilson seconded. The motion passed via unanimous vote.

ACTION: John Thoma moved that the Governing Board Approve the Slate of Officers as follows:

- 1) Miki Herman, Governing Board Chair, FY2020-2021*;**
- 2) David Lake, Governing Board Chair Elect, FY2020-2021***
- 3) Paul Litwinczuk, Finance, Audit & Compliance Committee Chair Elect, FY2020-2021*; and,**
- 4) Lisa Powell, Program & Accreditation Committee Chair Elect, FY2020-2021***

David Connell seconded. The motion passed via unanimous vote.

ACTION: Catherine Bekooy moved that the Foundation Trustees Approve the Following New Members of the Foundation Board of Trustees:

- 1) Jeff Carr, ex-officio**

- 2) Terry Donahe, Trustee
- 3) Mary Lago, Trustee & AKC Board Designated Representative
- 4) Paul Litwinczuk, Governing Board Representation on the Foundation
- 5) Sarah Robinson, Trustee

Heidi Steeves seconded. The motion passed via unanimous vote.

Review Operating, Capital & Cashflow Budgets as Recommended by the Finance, Audit & Compliance Committee for FY2020-2021 (Karen Rasmussen, Janice Jacobs)

- Karen reported that Janice presented the proposed FY2020-2021 budget at the most recent Finance, Audit & Compliance Committee meeting. The Committee reviewed and discussed it in detail. The Committee recommends the budget for final approval by the Governing Board.
- Janice provided an overview of the budget, explaining that, due to uncertainties of the COVID-19 situation, this year's budget is built from the top line down, using trending data and a conservative approach.
- Investments will be managed by the Foundation, while shifting philanthropic funds into the operating budget. The investment spend rate remains at 4%.
- Sales to the public reflects Kerr Bikes only now with the closing of Albertina's Place shops.
- The budget is balanced and includes the \$500k contingency, consistent with previous budgets.
- Cuts in the State budget have not been announced yet, however, Kerr's budget is built assuming 6% cuts in DD reimbursement rates.
- Expenses managed through headcount include: 17 layoffs; additional reduction of six staff in programs as revenue shifts; and 10% reduction in pay for admin staff through fiscal year end.
- Salaries and wages are budgeted with a 4% staff vacancy rate.
- Payroll tax goes up due to unemployment expenses, and health premiums will also increase.
- Contract labor is stabilized with the open positions now filled in Accounting.
- The Hillsboro office and PALS building will close. Some moving expenses associated with those closures are included.
- Extra security measures are needed at the Gresham Campus.
- Epic expenses will decrease as roll-out to the final group homes is completed. Some capital expenses associated with Legacy's support of Epic implementation will end.
- The capital budget is lean for the year, decreasing from \$2 million in the previous year to \$1.2 million in FY2020-2021.
- Cash flow has the potential to require use of the line of credit during only a couple of months.
- The budget is balanced while being realistic about potential cuts. Reductions were decided upon and implemented early. The announced upcoming special legislative session is not about the State budget, however, it is anticipated budget discussions and decisions will be made in August or September.
- Different counties' revenues for DD services are due to the different make-up of the homes. Kids' homes produce higher revenues than adults' homes.
- Community based services are an unknown at this time, so Kerr's plan is conservative.
- Members acknowledged the difficult task Janice Jacobs and the senior leadership team members worked through in these most uncertain times.

ACTION: Karen Rasmussen moved that the Operating, Capital and Cashflow budgets for FY2020-2021 be approved. Laura Shipley seconded. The motion passed via unanimous vote.

Executive Session

Board and Foundation members did not hold executive session.

Adjourn

David Boxberger and Miki Herman adjourned the meeting at 6:35 p.m.

Recorded by Holly Edgar, Corporate Secretary