

ALBERTINA KERR CENTERS
Governing Board Meeting Minutes
January 25, 2021
5 to 7 p.m.
Via Teams

Governing Board Members Present

Teri Barichello, David Boxberger, David Connell, Miki Herman, Paul Litwinczuk, Rod Malone, Melissa May, Jill Nickerson, Craig Payne, Lisa Powell, Karen Rasmussen, Laura Shipley, Heidi Steeves, Dennis Warneke, David Wilson

Board Members Excused

Kim Curry, David Lake, Susan Hobbel

A quorum was present.

Staff Present

Anne Adler, Jeff Carr, Van Field, Owen Gibson, Janice Jacobs, Derrick Perry, Craig Rusch, Matthew Warner

Convene (Miki Herman, Chair)

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

Approve Consent Agenda

- Approve Minutes of the September 21st Board Meeting
- Accept the CEO Written Report
- Accept the Fundraising Report

ACTION: David Wilson moved that the Consent Agenda be approved. Paul Litwinczuk seconded. The motion passed via unanimous vote.

Finance Committee Report (Karen Rasmussen)

An update on progress being made to address audit items was presented to the Finance, Audit & Compliance Committee at their meeting earlier in this month. Kerr has engaged third party CFO Selections to assist with implementing work flow processes. An accountant with an extensive audit background and experience with non-profits has been assigned. She will work with Janice Jacobs and the Accounting team to create solid processes. An initial assessment of progress will be given after four weeks of work. Karen and Jill Nickerson discussed the steps in place and items being addressed so far, and both feel the team is working in the correct direction. Gary McGee will be invited to review the work done so far and report out at the April FAC Committee meeting.

Financial Report: November FY2020-2021 (Janice Jacobs)

November results were positive, however, some COVID related impact is seen. PALS closure generates \$56k in lost revenue. Employment Services is also seeing COVID related reductions in activity. The Development Department received two grants from Oregon Community Fund to assist with schooling related expenses in group homes. Worker's Comp was under due budget due to timing. Employee Recognition was over budget, reflecting expenses for extra appreciation for everyone's hard work through this difficult year. The MIS variance is timing related. The market rebounded and investments are good. Net operating results are \$70k over budget.

November YTD is trending very well. While performance trends are good, Kerr is maintaining a conservative approach due to not knowing final decisions about allocations from the State level. The employee benefits variance is due to a budgeting issue rather than performance issue. Contract labor is high due to an unbudgeted interpreter. Rate increases in kids' DD will help the remainder of the year. Kerr management is analyzing revenue that will be repeated next year vs. one-time bumps in order to determine future revenues. Cash is in a strong position.

Program & Accreditation Committee Report (David Wilson, Derrick Perry)

December census improved in kids' homes, however, declined in adult homes. Management is taking extra steps to screen admissions for good matches in homes. Project SEARCH has created a career club during the employment down time in order to keep people connected with each other and engaged. Outpatient mental health should see stability and increased census under new leadership, Director of Children's Mental Health Chuck Haas. Focus is being placed on the increase in founded abuse cases to see what factors are contributing. COVID-19 has definitely impacted kids' group homes differently than adults' homes. Behaviors have increased in kids. A committee to train staff and roll out trauma informed care has been established to address escalations and behaviors. Leadership assignments across programs is bringing new skills to different areas and leverages expertise and knowledge. For example, a new Assistant Director will lead transition age (18-24) group homes and Employment Services. Hiring of additional mental health staff in Marion County will allow expansion of mental health services there. Staffing concerns in the front line positions is being addressed through management training, standardizing schedules and screening at recruitment.

Foundation Report: Investments & Portfolio Update (Terry Donahe)

2020 was an extraordinary year. Significant sectors of the economy shut down due to COVID-19 and a recession ensued. March saw the fastest stock sell-off in history, and then the fastest recovery in history shortly after. The economy is still in a recession with over 10 million jobs lost in the U.S. A massive monetary intervention to shore up capital markets buoyed investors. The market is driven by the big tech industry. Kerr's investments performed very well. Kerr's five year relationship with U.S. Bank produced amazing returns with 9.75%, 9.65%, 9.8% and 8.65% across all accounts since U.S. Bank's began managing the accounts. Going forward, accounts will be shifted toward a more aggressive approach. The future is dependent upon the corona virus and associated vaccination. 70-80% of Americans need to receive the vaccine in order to begin accomplishing herd immunity, slowing the spread of the virus, and allowing the economy to open up. The Federal Reserve is not likely to raise taxes in the near future. The national debt is extraordinarily high.

Review Updated Board Policies (Owen Gibson)

ACTION: Approve Board Policy Updates (All)

Updated policies related to compliance and quality improvement have been reviewed in detail by the Finance, Audit & Compliance Committee. The Committee recommended the Board approve the following updated policies, which are included in the meeting packets: Outcomes and Risk Management; Financial Misconduct Reporting; Fraud, Waste and Abuse, and Whistleblower Protection; Anti-Discrimination; Accounting Practices, Record Retention, and Destruction; Insurance, Directors and Officers; Confidentiality; Conflict of Interests, Stark Law, and Anti-Kickback Statute; Volunteer Protection; and, Ensuring Albertina Kerr's Not-for-Profit Standing.

ACTION: Dennis Warneke moved to approve all presented updated policies. David Wilson seconded. The motion passed via unanimous vote.

Workforce & Inclusive Housing: So, What Now? (Jeff Carr, All)

Jeff presented an update on the Workforce & Inclusive Housing project. Financial closing was delayed in order to take advantage of an increase in low income housing tax credits for projects closing after December 31, 2020. A video clip was also shared showing a time lapse recording of the demolition of the Wynne Watts building. An update to the rent schedule with positive adjustments for residents was provided. The discussion then looked to the future. The Kuni Foundation recently released a report on the housing crisis in Oregon and SW Washington, describing the challenges and high risks for people with IDD, specifically those cared for by aging parents. With experience gained through developing the Gresham Workforce & Inclusive Housing, Kerr may have some expertise and opportunity to replicate the housing project on other property. GBD Architects reviewed the Thrift Shop property next to Kerr Admin Center, which now sits vacant, and it could be developed into a 20-unit, mixed affordable and IDD accessible housing. Discussion was held around researching the needs and wishes of people and families of IDD individuals and what opportunities might lie in further developing housing options, and if this is this a direction Kerr wants to go. More discussion will be held as the time approaches to develop the next strategic plan during FY2021-2022, to begin July 1st of 2022.

Executive Session (Miki Herman)

Board members entered Executive Session at 6:48 p.m.

Adjourn

Miki Herman adjourned the meeting at 6:52 p.m.

Recorded by Holly Edgar, Corporate Secretary