

ALBERTINA KERR CENTERS
Governing Board Meeting Minutes
September 21, 2020
5 to 7 p.m.
Via Teams

Governing Board Members Present

David Boxberger, Kim Curry, David Connell, Miki Herman, Susan Hobbel, David Lake, Paul Litwinczuk, Rod Malone, Melissa May, Jill Nickerson, Craig Payne, Lisa Powell, Laura Shipley, Heidi Steeves, Dennis Warneke, David Wilson

Excused

Teri Barichello, Karen Rasmussen

Guest

Linda Carpenter of Carpenter Smith Consulting

Staff Present

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

Convene (Miki Herman, Chair)

Miki convened the meeting at 5:04 p.m.

Approve Consent Agenda

- Approve Minutes of the July 20th Board Meeting
- Accept the CEO Written Report
- Accept the Fundraising Report
- Approve the Board Resolution Accepting Responsibilities & Requirement as Outlined in the OHCS Loan Application
- Appointment of Janice Jacobs as Corporate Treasurer

ACTION: David Connell recommended clarifying edits to the language in the Board Resolution on page 17 of the meeting packet as follows:

“The person(s) named on the Authorization and Acceptance Form are duly authorized to encumber, and the Board of Directors accepts the responsibilities and requirements of any tax credit and/or grant, bond or loan programs applied for in this application for this project,” was edited to read:

“The person(s) named on the Authorization and Acceptance Form are duly authorized to encumber Albertina Kerr Centers, and by this action, the Board of Directors accepts the responsibilities and requirements of any tax credit and/or grant, bond or loan programs applied for in this application for this project.”

Susan Hobbel moved to approve the Consent Agenda with the edits to the Resolution. Kim Curry seconded. The motion passed via unanimous vote.

24 Hours of Kerr Recap (Anne Adler)

Anne thanked everyone for the huge success of the event and 100% participation by Kerr Board members. The early net figure is \$385k, which is 15% over goal and \$10k over net last year. Expenses were \$75k less due to the switch to a virtual event. Reviews and feedback were overall positive. Over 400 people RSVP'd and the maximum number of viewers at one time was 96. The actual number of viewers was much higher, however, as there were several group and shared views planned. Other notes: pre-commitments were important to the overall donation amount; the live chats during the event were fun; the technology was a little bumpy but overall very good given it was a first; the virtual event was fun and could be grown if the virus situation persists and is needed again next year.

Financial Update (Janice Jacobs)

At month ending July 31st, financials indicate a solid start to the fiscal year. Contract revenue shows strong performance. Two drivers were: proactive steps taken to prepare for an estimated 6% cut from State funds (that did not actually take place); and, \$240k from the CARES Act and ODDS funds. The Development team received \$622k in donations, including a single large donation of \$500k. Departments are underspending, keeping expenses down. The consolidated statement shows a \$1.198 million surplus. Vacancy rates and census are favorable. The cash position is strong. Initial August performance looks good. In general, financials look good; the unknown is the State budget in the future. The forecast will be released at the end of September and should be an indication of the future. The audit is going well with no anticipated management letter. Adjustments will be made and likely due mostly to issues with the software transitions.

ACTION: Due to timing, the Finance, Audit & Compliance Committee did not have a chance to view the financial report in detail prior to the Board meeting. Therefore, Dennis Warneke moved that the financial report be approved on a contingent basis, pending the FAC Committee's review on October 7th. David Lake seconded the motion. The motion passed via unanimous vote.

Finance, Audit & Compliance Committee Report (Paul Litwinczuk, Chair Elect, for Karen Rasmussen, Chair)

Paul reported that the FAC Committee last met on August 11th. There are no issues or concerns.

Program & Accreditation Committee Report (David Wilson, Chair)

David reported that the P&A Committee met on September 2nd and reviewed 4th quarter outcomes. Group home census is steady. There are some challenges in programs related to the Covid-19 lockdown; however, staff is doing a great job of navigating the challenges and finding ways to keep clients busy. Subacute census is high for this time of year and appears to be Covid-19 related. Families are struggling through changes due to Covid-19. 88% of kids were discharged into the community in this quarter. Derrick Perry and program leadership focused heavily on improving the intake process. They redesigned an interdisciplinary team to improve and expedite the access process and have seen significant improvement in experience for the clients and families. Outpatient mental health is working well with telehealth. Client and parent experience surveys remain mostly positive. Staff turnover has decreased, and injuries have decreased. Remote learning during the Covid-19 crisis is challenging; however, the school districts have been helpful partners. During the wildfire situation and related evacuations, subacute was able to assist Providence's children's psychiatric program by immediately taking in six evacuated kids. The move was well coordinated and Providence has expressed their enormous gratitude.

Review & Approval of Board Policy Updates (Owen Gibson, All)

Owen and corresponding staff continue to work through updating and revising agency and Board policies. Once policies have been prepared in draft form, they are presented to the appropriate committee for review

and recommended to the full Board for final approval. One of the policies in the meeting packet, Board Member Job Description, was deferred for more work.

ACTION: David Lake moved that the policies presented in the meeting packet be approved with the exception to defer the Board Member Job Description and a correction to language under 5b on page 23 of the packet to reflect the correct committee name as follows:

**“Operations Committee, if between \$50,000 and \$100,000” will be corrected to:
“Finance, Audit & Compliance Committee, if between \$50,000 and \$100,000.”**

Kim Curry seconded. The motion passed via unanimous vote.

Discussion: Agency Acquisition & Merger Analytics Matrix (Matthew Warner, Owen Gibson, Craig Rusch, Derrick Perry)

In light of the Covid-19 crisis and its impact on the economy, and State and Federal budgets, Kerr leadership has been discussing the possibility of opportunities to acquire or merge with like agencies. Senior leadership wants to be sure Kerr is intentional and strategic before expanding through these means. A tool has been developed for identifying risks, determining fit and culture, understanding expectations and goals, and other analytics. The matrix of questions is not a scorecard, but rather a guide through initial discussions and exploration. In reviewing the array of services category, a recommendation was made to also look at vertical and horizontal associations of services, more than like or unlike services. The example of CDHS was raised, where Kerr overestimated its expertise in overcoming the financial issues at CDHS, along with not fully understanding the physical health complexities of the clients served there. Discussion was held regarding the risks in pre-screening and trusting self-reporting, and also in assuming the “lifeboat” role for struggling agencies. An intentional partnership or addition to a gap Kerr may have creates a more strategic approach. Kerr may want to be proactive in identifying program direction and what services would fill or enhance that direction.

ACTION: Kerr leadership asked for feedback and ideas from Board members to develop further a planned approach to potential acquisitions and mergers.

Board Strategic Plan, Continued (Linda Carpenter)

Linda reviewed the work done to date on the Board strategic plan. At the August 17th Executive Committee meeting, members discussed and identified the top two priorities. These priorities, highlighted on page 49 of the meeting packet, are: Refine Board Internal Structure; and, Develop a Strategic Recruiting Plan. Two ad hoc working groups will be established to frame a vision and plan to achieve each priority. Linda recommended each ad hoc group be led by one Board member and one SLT member. Miki Herman and Anne Adler will lead the Recruiting Plan, and David Lake and Craig Rusch will lead the Board Internal Structure work. Members of the Executive Committee arrived at deciding the top priorities through careful and thoughtful discussion. A suggestion was made that items 3 and 4 could be built into the top two focus areas. All members agreed, thus, #3 Restructure of Board Meetings will fold into #1 Refine Board Internal Structure, and #4 Engage Board Members will fold into #2 Develop a Strategic Recruiting Plan. Discussion was held about revising the Board Member Job Description as expectations, roles and responsibilities, and member qualities are identified. Members feel it is important to define multiple contributions such as time, talent and money when recruiting, and to identify an equitable way to define contributions to advisory committees.

ACTION: Rod Malone expressed interest in participating in the Board Structure group.

ACTION: Jill Nickerson expressed interest in participating in either group.

ACTION: Miki Herman asked that members consider participating and let her know by end of business Tuesday, September 22nd.

Executive Session (Miki Herman)

Board members entered Executive Session at 6:50 p.m. CEO performance and goals were discussed.

Adjourn

Miki Herman adjourned the meeting at 7:13 p.m.

Recorded by Holly Edgar, Corporate Secretary

Attachments: Corrected Board Resolution and Financial Management – Financial Conditions Policy as noted in these minutes.