



**Governing Board of Directors
Agenda**

Monday, April 26, 2021

Via MS Teams

- 5:00 p.m. **Convene** (Miki Herman, Board Chair)
- 5:01 p.m. **ACTION: Approve Consent Agenda** (All)
pp. 3-5 -Minutes of the January 25th Board Meeting
pp. 6-20 -Policies Recommended for Approval:
-Agency Mission, Vision, Values
-Code of Ethics
-Strategic Planning Process
-Affirmative Action
-Suitability of Board Members
-Goal Setting, Evaluation & Compensation of the CEO
-Public Affairs
-Advocacy and Grassroots & Direct Lobbying Activities
-Financial Reserves
- pp. 21-22 -Fundraising Report (Information/Questions only)
pp. 23-29 -Strategic Plan Updates (Information/Questions only)
- 5:10 p.m. **CEO Written Report & Discussion** (Jeff Carr)
pp. 30-33 -Providence Partnership
- 5:30 **Board Compliance Training** (Owen Gibson)
- 5:40 **Finance, Audit & Compliance Committee Report** (Karen Rasmussen)
-Audit Update
- ACTION: Ratify Land Purchase for Group Homes** (All)
- 5:50 **February Financial Report** (Janice Jacobs)
pp. 34-38 **ACTION: Accept February Financial Report** (All)
- 6:05 **Program & Accreditation Committee Report** (David Wilson)
- 6:15 **Board Ad Hoc Working Groups Updates** (Miki Herman, David Lake)
pp. 39-53 **ACTION: Approve Establishment of New Standing Board Committee:
Board Recruitment & Engagement Committee**

6:30
pp. 54-66

Presentation: Housing on Thrift Shop location (Jeff Carr)

ACTION: Board authorization to submit application to PHB w/Edlen & Co.

6:45 **Executive Session** (Miki Herman)

7:00 p.m. **Adjourn** (Miki Herman)

Next Board Meeting: Monday, June 21st, 2021

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

Proposed Chapter	Board Policy Name	Committee		Comm Rev Complete	Status	Complete - Final
		Committee to Review	Review Schedule			
1. Core Agency Policies	01. Agency Mission Vision Values			Board Appd 2017	Draft Ready for 4/26 Board Approval	
1. Core Agency Policies	02. Code of Ethics	FAC	Mar 10 2021	X	Draft Ready for 4/26 Board Approval	
1. Core Agency Policies	03. Strategic Planning Process	Exec	Feb 22 2021	X	Draft Ready for 4/26 Board Approval	
1. Core Agency Policies	04. Affirmative Action	Exec	Feb 22 2021	X	Draft Ready for 4/26 Board Approval	
2. Governance	01. Board Composition	Exec	May 18 2020	X	Deferred to ad hoc working groups in process	
2. Governance	02. Board Member Job Description	Exec	May 18 2020	X	Deferred to ad hoc working groups in process	
2. Governance	03. Board Officer Responsibilities	Exec	May 18 2020	X	Deferred to ad hoc working groups in process	
2. Governance	04. Board Meetings	Exec	May 18 2020	X	Deferred to ad hoc working groups in process	
2. Governance	05. Primary Board Duties	Exec	May 18 2020	X	Deferred to ad hoc working groups in process	
2. Governance	07. Suitability of Board Members	Exec	Feb 22 2021	X	Draft Ready for 4/26 Board Approval	
2. Governance	08. Board Leadership	Exec	May 18 2020	X	Deferred to ad hoc working groups in process	
2. Governance	09. Annual Transition of Board Leadership	Exec	Oct 26 2020	X	Complete	Board Appd Nov 2020
2. Governance	10. Gov Board Recruitment Process/Criteria	Exec			Deferred to ad hoc working groups in process	
2. Governance	11. Gov Board Expectations/Orientation	Exec			Deferred to ad hoc working groups in process	
2. Governance	12. Board Committee Principles	Exec	May 18 2020	X	Complete	Board Appd Sept 2020
2. Governance	13. Finance, Audit & Compliance Committee Chair Job Desc	Exec	Feb 22 2021	deferred	Needs final Exec Committee approval	
2. Governance	14. Program & Accreditation Committee Chair Job Desc	Exec	Feb 22 2021	deferred	Needs final Exec Committee approval	
2. Governance	15. Board of Directors Delegation of Authority to the CEO	Exec	Oct 26 2020	X	Complete	Board Appd Nov 2020
2. Governance	16. Goal Setting, Evaluation & Compensation of the CEO	Exec	Feb 22 2021	X	Draft Ready for 4/26 Board Approval	
2. Governance	17. CEO Succession Contingency Plan	Exec	Oct 26 2020	X	Complete	Board Appd Nov 2020
2. Governance	18. Public Affairs	Exec	Feb 22 2021	X	Draft Ready for 4/26 Board Approval	
2. Governance	19. Advocacy and Grassroots & Direct Lobbying Activities	Exec	Feb 22 2021	X	Draft Ready for 4/26 Board Approval	
3. Financial Management	01. Budgeting	FAC	Mar 10 2020	X	Complete	Board Appd Nov 2020
3. Financial Management	02. Financial Conditions	FAC	Mar 10 2020	X	Complete	Board Appd Nov 2020
3. Financial Management	03. Financial Reserves	FAC	Mar 10 2021	X	Draft Ready for 4/26 Board Approval	
3. Financial Management	04. Signatory Authority	FAC	Mar 10 2020	X	Complete	Board Appd Nov 2020
4. QIC	01. Risk Management	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	02. Financial Misconduct Reporting	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	03. Fraud, Waste & Abuse, & Whistleblower Protection	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	04. Anti-Discrimination	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	05. Accounting Practices, Record Retention & Destruction	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	06. Insurance, Directors & Officers	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	07. Confidentiality	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	08. Conflict of Interest, Stark Law & Anti-Kickback	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	09. Volunteer Engagement	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021
4. QIC	10. Ensure Kerr Not For Profit Status	FAC	Jan 13 2021	X	Complete	Board Appd Jan 2021

Chapter: Core Agency Policies

SECTION: MISSION, VISION AND VALUES

Mission

Kerr empowers people with intellectual and developmental disabilities, mental health challenges and other social barriers to lead self-determined lives and reach their full potential.

Vision

All people thrive in nurturing and inclusive communities.

Values

Compassionate

Every individual – the people we serve and our staff – has equal value and we treat every person with dignity and respect. Our belief in kindness, understanding, humanity, and the value of diversity and cultural appropriateness guides our daily work.

Commitment

We are fully invested in the people we serve and each other, with high ethical standards. Honesty, accountability and responsible stewardship of resources are expected from all employees and volunteers.

We are committed to evidence-based practices, continuous learning and improvement, positive service outcomes and responsible financial management.

We are forward-thinking in our work and seek out innovative and creative approaches to fulfilling community needs.

Collaboration

We partner with the people we serve and their families to achieve our vision and mission.

Advocacy

We strongly advocate for the needs of the people we serve, educating the community and political decision-makers about the challenges they face.

We empower those we serve and each other to successfully advocate for their needs and rights.

SECTION: CODE OF ETHICS - DRAFT

As a nonprofit organization serving some of Oregon’s most vulnerable adults and children, Albertina Kerr’s policy is to uphold the highest legal, ethical, and moral standards. Those we serve, our donors, volunteers, and employees support Albertina Kerr because they trust us to be good stewards of their resources and to uphold rigorous standards of conduct. Our reputation for integrity and excellence requires careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest ethical standards of conduct and personal integrity.

Albertina Kerr will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business by following all relevant laws in carrying out their respective duties; to refrain from any illegal, dishonest, or unethical conduct; to act in a professional, businesslike manner; and to treat others with respect.

The use of sound judgment, based on high ethical principles, will guide directors, officers, and employees concerning what is considered acceptable conduct. However, if a situation arises where Board Member finds it challenging to determine the proper course of conduct or where questions arise concerning the propriety of certain conduct by an individual or others, the matter should be brought to the attention of Albertina Kerr's Board Chair. In all questions involving ethics and conduct, individuals whose conduct is at issue will not participate in such decisions, and the Board will make relevant determinations in the best interest of Albertina Kerr’s mission.

SECTION: STRATEGIC PLANNING

Albertina Kerr Centers (“AKC”) is committed to a strategic planning process that encompasses its commitments to the community, ~~and~~ its clients, and its staff. The strategic planning process is critical to the long-term success of AKC. The planning process should:

- Ensure that the Strategic Plan clearly articulates AKC’s current mission, values, and vision.
- Serve as a basis for refining or refocusing AKC’s strategic plan.

- Provide clear strategies and priorities from which operational and financial plans can be developed.
- Ensure that AKC retains its ~~L~~Leadership role in evolving behavioral health, intellectual and developmental disabilities, children's mental health, and social service issues that create value ~~for from~~ the community and AKC's clients.
- Support AKC's commitment to developing and providing a ~~market leading seamless~~ system of high-quality, accessible, and coordinated care.
- Promote teamwork within AKC and within the community through development of collaborative partnerships with groups and organizations that support the organization's strategic objectives.
- Focuses on specific performance accountability for services provided.

The strategic planning process should be accomplished through the collaborative efforts of AKC's Board of Directors, senior leadership team, Foundation Board, TOKNA, and key staff from all levels at AKC. The Board of Directors, senior leadership team and key staff has established a Strategic Planning Committee, which should review the Strategic Plan annually. The Strategic Plan should be updated as needed to address and adjust to comprehend the dynamic environment in which AKC operates. The plan should be updated no less than every 5 years.

SECTION: AFFIRMATIVE ACTION

Be it resolved that Albertina Kerr Centers is committed to a policy of granting equal employment opportunities to all of its employees and applicants for employment in a manner that ensures full compliance with applicable local, state, and federal laws and regulations. In all matters related to hiring, placement, promotion, transfer, demotion, rates of pay or other forms of compensation, selection for training, recruitment, advertising, or solicitation for employment, lay-off or termination, or participation in agency-sponsored programs, Albertina Kerr Centers will provide equal employment opportunities without regard to race, religion, sex, age, disability, color, veteran status, national origin, marital status or sexual orientation, political affiliation, workers compensations claims, family relationship or any other status protected under applicable local, state or federal law.

Albertina Kerr Centers will continue to offer employment and advancement opportunities to minorities, women, the -disabled handicapped, disabled veterans and veterans of the Vietnam

era. This policy is applicable to all terms and conditions of employment except for a bona fide occupational qualification or statutory requirement which must be complied with.

The policies of non-discrimination of Albertina Kerr Centers shall apply not only to employment but also to the recruitment of volunteers who serve in non-paid staff positions and/or on boards or committees of the agency. Furthermore, all personnel are directed to treat all clients and staff in a non-discriminatory manner.

The ~~President~~/CEO of the corporation, has the responsibility to implement and administer the equal employment opportunity policy. The ~~Vice President~~, Chief Human Resources is the Affirmative Action Officer and has the responsibility to monitor the results of the AAO and make annual reports to the ~~President~~/CEO. The ~~President~~/CEO will report annually to the Operations Finance, Audit & Compliance Committee of Albertina Kerr Centers.

Chapter: Governance

SECTION: SUITABILITY OF BOARD MEMBERS

PURPOSE: ~~To~~ The Suitability of Board Members attestation is to ensure that only individuals whose presence does not jeopardize the health, safety, or welfare of the children served by the agency serve as Board Members.

POLICY STATEMENT:

Albertina Kerr Centers must disclose to the Department of Human Services (DHS) any conduct by a board member that is relevant to their ability or fitness to carry out their duties.

PROCEDURES:

1. I, _____, member of the Board of Directors pledge to report any instances of the following:
 - a. Permanent loss of right to provide services to children or families in any jurisdiction, and the basis for each action
 - b. Any licensing denial, suspension, or revocation; or any other negative sanction or proposed sanction by an oversight body
 - c. For the previous ten years, any disciplinary action or investigation by a licensing or accrediting body, including the basis and disposition of each action
 - d. Found guilty of any crime under federal, state, or foreign law
 - e. Any civil or administrative violation involving financial irregularities under federal, state, or foreign law
 - f. For the previous five years, any instance of having filed for bankruptcy.
2. This policy is reviewed with board members at the beginning of their appointment and upon reappointment to the board.
3. If for any reason, I find myself in any of the above-listed circumstances, I agree to discuss with the Chair of the Board or Governance & Board Development Committee my future obligations in serving on the Board of Directors.

Chapter: Governance

SECTION: EVALUATION AND COMPENSATION OF THE CEO

~~At the beginning~~ Prior to the end of the agency's current fiscal year, the CEO will prepare a written statement of his/her performance goals for ~~that the new fiscal year, which will include a description of the potential performance bonus award that the CEO could receive upon attainment of the goals,~~ pursuant to his/her employment agreement with the agency. The statement of performance goals is subject to the review and approval of the Executive Committee, to be completed before the start of the new fiscal year.

~~At the end of the agency's fiscal year~~ Upon closure of the agency's financial performance for each fiscal year, and within the first quarter of the new fiscal year, the CEO shall receive a written evaluation of his/her performance against the performance goals. ~~The evaluation will include a determination of a performance bonus award pursuant to the statement of performance goals and the CEO's employment agreement.~~

The evaluation will be prepared by the Chair~~person~~ and Immediate Past Chair~~person~~, reviewed and approved by the Executive Committee and the Board of Directors, and then presented to the CEO. The CEO's compensation shall be adjusted in an amount commensurate with the CEO's attainment of the stated goals as determined by the agency's Executive Committee with consideration of the cost of living and commensurate with comparable positions in private, non-profit organizations with similar services and of similar annual budget size.

~~The Chair of the Operations Committee shall review expense reports of the CEO at the end of each fiscal year. Any identified concerns regarding expenditures shall be forwarded to the Executive Committee for action.~~

~~The compensation of employees who directly report to the CEO shall be reported to the Committee on an annual basis.~~

Performance bonuses for employees eligible to participate ~~in the executive bonus program per the Employee Handbook (i.e., CEO, Vice President and Directors)~~ may not be included in the agency's annual budget. Such bonuses, if earned, may only be paid out of any annual budget surpluses that may be achieved by the agency and must be approved by the board of directors.

DRAFT

Albertina Kerr CEO Goal Setting Timeline

Fiscal Year: July 2021 - June 2022

To be Presented to the Executive Committee on February 22, 2021

Today's Date: 04/15/21

Prepared by: David Lake

Action	Party(s)	Start Date	End Date	Duration	Days to Completion	Desired Outcome	Comments
Present CEO Goal Setting Process to Executive Committee	Standing Executive Committee Meeting	02/22/21	02/22/21	-	(53)	*Agreement on CEO Goal Setting responsibilities * Agreement on CEO Goal Setting timeframe and process	Important to note that primary responsibility for directing and managing the CEO Goal Setting Process lies with the Executive Committee. Board input on goal topics will be sought and the Board will also approve the final goal set.
Send memo to Board from Executive Committee seeking input on goal topics for CEO consideration and outlining the process/timeline for CEO goal setting	D. Lake Executive Committee	03/01/21	03/15/21	14	(32)	*List of possible goal topics for CEO consideration * Understanding of CEO goal setting process and timeline	
Finalize first draft of CEO goals and weightings	J. Carr D. Lake	03/15/21	04/16/21	32	0	* Initial goal list	
Special Executive Committee Meeting to review goal proposal and discuss	Special Executive Committee Meeting	04/19/21	04/19/21	-	3	* Goal feedback	
No action	Standing Board Meeting	04/26/21	04/26/21	-	10		
Finalize proposal for goals and weightings for presentation to Executive Committee	J. Carr D. Lake	04/27/21	05/14/21	17	28	* List of final goal set and weights	
Present final goal list and weighting to Executive Committee for approval	Standing Executive Committee Meeting	05/24/21	05/24/21	-	38	* Agreement on final goal list and weighting	
Revise goals and weightings as necessary	J. Carr	05/25/21	06/14/21	20	59		
Present final goal list and weighting to Board for approval	Standing Board Meeting	06/21/21	06/21/21	-	66	* Approval of final goal list and weighting	
Goals become effective	J. Carr	07/01/21	07/01/21	-	76		

DRAFT

Albertina Kerr CEO Performance Review Timeline

Fiscal Year: July 2020 - June 2021

To be Presented to the Executive Committee on February 22, 2021

Today's Date: 04/15/21

Prepared by: David Lake

Action	Party(s)	Start Date	End Date	Duration	Days to Completion	Desired Outcome	Comments
Present CEO Performance Review Process to Executive Committee	Standing Executive Committee Meeting	02/22/21	02/22/21	-	(53)	*Agreement on CEO performance review responsibilities * Agreement on CEO performance review timeframe and process	Important to note that primary responsibility for directing and managing the CEO Performance Review Process lies with the Executive Committee. Board. Input on performance will be sought and the Board will also approve the final performance review recommendation.
Board Meeting	Mike Herman	06/21/21	06/21/21	-	66	* Share proposed performance review timeframe and responsibilities with Board	
Board Meeting	Miki Herman	07/19/21	07/19/21	-	94		Share memo, performance survey tool and applicable goals with Board and key Kerr staff outlining the appraisal input process.
Complete survey tool	Board Key Kerr Staff	07/19/21	08/07/21	19	113		
CEO to complete Self-Evaluation	J. Carr	07/19/21	08/07/21	19	113		
Finalize 1st draft of CEO evaluation	M. Herman D. Boxberger	08/07/21	08/21/21	14	127		
Develop draft merit increase/bonus proposal	M. Herman D. Boxberger	08/07/21	08/21/21	14	127		
Executive Committee Meeting	Executive Committee	08/16/21	08/16/21	-	122		Share draft evaluation and proposed salary and bonus changes with Executive Committee
Finalize CEO evaluation and merit increase/bonus proposal after feedback from Executive Committee	Executive Committee	08/17/21	08/31/21	14	137		
Present final CEO evaluation to Board	Board of Directors	09/01/21	09/08/21	7	145		
Present evaluation and merit/bonus recommendation to CEO	M. Herman D. Boxberger	09/08/21	09/15/21	7	152		
Board Meeting	Board of Directors	09/20/21	09/20/21	-	157		
Evaluation/Merit/Bonus Process completed	M. Herman D. Boxberger	09/30/21	09/30/21	-	167		

Chapter: Governance

SECTION: PUBLIC AFFAIRS

All standards or codes of ethics, as outlined in various clinical professional disciplines, ~~standards and accreditations (e.g., psychiatry, nursing, clinical social work, licensed professional counselors, etc.), the Joint Commission on Accreditation of Healthcare Organizations, the Public Relations Society of America's Official Statement on Public Relations, and the National Society of Executive's Code of Ethical Principles and Standards Professional Practice~~ shall be employed without exception in the implementation of all matters relating to Kerr's public affairs activities, media relations, and the involvement of persons served in marketing and/or fundraising activities.

All contacts made with or received from the media regarding the organization, its programs, and the people it serves shall be handled only by the Chair~~person~~ of the Board of Directors or the ~~President and~~ Chief Executive Officer (CEO). The ~~President and~~ CEO may designate authority to make or receive media contacts to the Marketing and Communications Manager and other employees.

Management shall have a crisis plan in place to respond to events or situations that may result in serious injury or illness of person served, staff, volunteer or bystander where exposure to media may result in legal action, damage to the agency's reputation or potential financial burden to the organization. The plan shall include these elements: the ~~President and~~ CEO is the agency's primary spokesperson; confidentiality of persons served is to be preserved; the integrity of the agency is to be protected; the truth is to be told; a proactive response shall be delivered to the media; the plan is to be reviewed by the ~~b~~Board and updated periodically; the ~~President and~~ CEO shall review and evaluate any crisis response situation after it occurs with the Board of Directors.

Exploitation of persons served shall never be permitted and all measures to ensure client confidentiality of persons served shall be upheld. "Exploitation" means actions which benefit the exploiter by coercing, using unfairly, or taking advantage of the weakness, disability or the limiting circumstance of a person in Kerr's care. Public media releases which name or picture a person served by Kerr shall be done only with the written informed consent of the individual and/or his/her legal guardian, if appropriate. No employee or agent of Albertina Kerr Centers shall engage in exploitation of any person receiving services from the organization either for personal gain or for the benefit of Kerr. Staff members shall also discourage or prevent outside entities (e.g. the news media or commercial businesses) from such exploitation of the individuals served by Kerr. ~~The~~

~~President and The~~ CEO shall develop and implement procedures to ensure that legal and ethical standards are complied with, that exploitation of persons served is prevented, and that written, specific, informed consent is secured prior to any involvement of persons served in marketing and/or fundraising activities.

Persons served currently or persons served at any time in the past shall not be asked to participate in public performances of any kind against their wishes or without written informed consent. Persons served are not to be required or coerced, under any circumstances, to make public statements that express gratitude to the organizations.

All organizational messages developed to provide public awareness of Kerr shall be accurate and truthful and that all communication aimed at solicitation shall adhere to the National Society of Fund Raising Executive's Code of Ethical Principles and Standards of Professional Practice.

All corporate relations established to advance the financial success of the agency shall avoid association with products or services that conflict with the principles intended in the agency's mission.

The agency shall be aggressive in discussing areas of public policy that have a direct impact on its mission, services and persons served. The agency shall avoid controversial political issues not related to its mission and services.

Management shall avoid any action that might adversely affect the agency's 501(c)(3) status.

Chapter: Governance

SECTION: ADVOCACY, AND GRASSROOTS AND DIRECT LOBBYING

~~One of the five core values of~~ Albertina Kerr Centers ~~is to~~ strongly advocates for the needs of and appropriate services for the populations we serve.

Board-approved value statement language is as follows:

We strongly advocate for the needs of the people we serve, educating the community and political decision makers about the challenges they face. We empower those we serve to successfully advocate for their own needs and rights.

~~Populations served are defined in the board policy entitled “Service Recipients, Global Results & Acceptable Cost.”~~

Grassroots and direct political lobbying activities for 501(c)3 tax exempt organizations are permitted within specified dollar amounts as regulated by federal law.

Albertina Kerr Centers may take a public position, engage in advocacy and lobbying activities on issues directly related to fulfillment of the board-approved mission, vision and values. The organization is expressly prohibited by federal law from supporting or opposing candidates for public office.

Public position(s) on state and local ballot measures shall be recommended for full ~~h~~Board action by the Program & Accreditation Committee.

Organizational expenses incurred in grassroots and direct lobbying activities shall be accurately recorded on annual 990 tax returns and shall not exceed federal or state expenditure limits for such activities.

Chapter: Financial Management

SECTION: FINANCIAL RESERVES

The purpose of the Financial Reserves policy is to help ensure the long-term financial stability of the Agency, and position it to respond to varying economic conditions and changes affecting its financial position and its ability to carry out its mission. It is also intended to provide a source of internal funds for strategic priorities such as facility purchases and improvements, capacity building, and branding/awareness campaigns. This policy will be implemented in concert with other Board financial policies and is intended to support the goals and strategies contained in these related policies.

Cash Reserve

The cash reserve provides working capital to manage day-to-day operations and cash flow timing as well as liquid resources to meet unplanned obligations, uninsured or self-insured losses, and operating budget shortfalls. This reserve comprises cash and cash equivalents that are accounted for in the unrestricted, undesignated funds of Albertina Kerr and the Foundation. The cash management focus is on liquidity, though management may invest a portion of this reserve in money market instruments that provide incremental returns in exchange for a longer time horizon.

The target minimum amount to be maintained in the cash reserve is one month of average operating expenses. Depreciation is included in the operating expense amount since this reserve may be used for unbudgeted or under-budgeted capital expenditures. A commercial line of credit may be maintained as a supplemental cash cushion, but it is not included in the reserve calculation. Additional cash beyond the minimum target amount may be maintained and utilized for future management purposes, such as to cover projected deficits or to fund capital expenditures, debt reduction, program start-ups, and/or other strategic uses. Funds may also be transferred to board-designated reserve funds in coordination with the Board and Trustees. If the reserve falls below the minimum target for other than timing fluctuations and/or temporary, planned objectives, management should identify a plan for restoring the reserve to the minimum target.

Board Designated Reserve

The Board designated reserve provides, at the Board's discretion, funding for ongoing operations and strategic investment opportunities, and resources to meet unplanned obligations, material uninsured losses, or other unexpected events. This reserve primarily comprises funds that are managed by the Board as a quasi-endowment, though the Board may alter the long-term designation of any or all of these funds at any time to fulfill other strategic purposes or near-term needs. The funds are accounted for in the Board-designated fund of the Foundation. A smaller subset of this reserve is accounted for in the temporarily restricted fund of the Foundation and represents unrestricted, yet un-appropriated, earnings on the true endowment that can be appropriated for use at any time by the Board. The investment focus is placed initially on capital appreciation, secondly on income generation, and lastly on preservation of principal.

The target minimum amount to be maintained in the Board--designated reserve is two months of average operating expenses. Depreciation is included in the operating expense amount since this reserve may be used for unbudgeted or under-budgeted capital expenditures. Additional funds beyond the minimum target amount may be maintained and utilized for future Board purposes. If the reserve falls below the minimum target for other than temporary planned objectives and/or market fluctuations, a plan should be identified for restoring the reserve to the minimum target.

Primary Reserve

The primary reserve considers not just cash or investments, but all expendable net assets expressed as a percentage of annual expenses. This ratio represents a clear indicator of an organization's overall financial health, and it is displayed in Kerr's annual audit reports as well as in the quarterly financial dashboard. A ratio of between 25% and 40% at a minimum is advisable to provide an organization the ability to rely on internal cash to meet short-term obligations, carry on a reasonable level of facilities maintenance, and manage modest adverse financial events. These expendable net assets are accounted for in the unrestricted funds (undesignated and Board--designated) of Kerr and the Foundation, and comprise current liabilities netted against current assets. The target minimum primary reserve ratio is 25%, which equates to three months of average operating expenses.

Capital Reserve

The capital reserve provides a source of unrestricted, Board--designated funds to supplement the operating funds that are available for capital acquisition, building and leasehold improvements, furnishings, and equipment. Although depreciation is a budgeted non-cash expense that frees up operating cash each year for capital expenditures, it is inadequate to meet the deferred maintenance that has arisen over time with Kerr's aging facilities as well as the changing capital needs over time. The intention of the capital reserve is to bridge this funding gap on a year-to-year basis. This reserve comprises funds that are managed by the Board as a quasi-endowment, though the Board may alter the long-term and/or capital-related designation of any or all of these funds at any time to fulfill other strategic purposes or near-term needs. The funds are accounted for in the Board--designated fund of the Foundation.

The target minimum amount to be raised and maintained in the capital reserve is four times the average annual projected depreciation for the upcoming five-year period. An annual spending rate drawn from this amount, combined with the annual operating fund available through budgeted depreciation, would help considerably in closing the gap between a feasible capital budget and a best-case capital budget as is illustrated in the long-term capital plan. Additional funds beyond this minimum target would help to tighten this funding gap and further reduce the amount of deferred maintenance carried on Kerr's facilities and fleet portfolio.

Sources:

Rule/Source	Summary	Last rule revision date

Revision and Approval History:

Policy	Revised by	Revision Date	Approved by	Approval Date
Budgeting	Holly Edgar	03/04/2020	FAC Committee	
Financial Conditions	Holly Edgar	03/04/2020	FAC Committee	
Signatory Authority	Holly Edgar	03/04/2020	FAC Committee	

FY21 Fundraising to date

A FY21 Fundraising Update through April 13th, 2021 is outlined on page 22.

As shown, we have secured 113% of our annual cash and pledges budget and 115% of budget when in-kind revenues are accounted for. These results compare with 71% against overall budget achievement for the same time last year.

As previously reported, better than budget performance stems from outstanding performance in Individual Giving and significantly better than budget performance for 24 Hours of Kerr and Grants.

Lower than budget performance for Rip City Race for the Roses and Corporate Giving are directly attributable to COVID impacts, including needing to take our race virtual again this year. On a positive note, race registrations continue to steadily roll in.

Thank you, to all Board Members who have generously supported Kerr this year!

And thank you, to Kerr's outstanding development and marketing team for their outstanding dedication and work!

Additional Highlights

Rip City Race for the Roses

Lace up your shoes and run, walk or roll, anytime, anywhere from April 25-June 30.

[Click here to register](#) for a half marathon, 10k, 5k, or Nike Kids Made to Play 1k. All participants will receive both a physical and virtual swag bag with an official race t-shirt, race medal, and so much more. Proceeds support Kerr's lifesaving care for children and teens facing mental health challenges and individuals experiencing I/DD. **That's why we run! We hope you will too.**

24 Hours of Kerr

We are bringing 24 Hours of Kerr (HOK) back **LIVE** this year, with Ferguson Wellman as our Presenting Sponsor – courtesy of Mary Lago, Kerr Trustee. Our 24 HOK Golf Tournament will take place on Monday, August 30th at the highly-rated Witch Hollow Golf Course at Pumpkin Ridge. Our Country Gala will again take place at Hotchkiss Farm on the evening of Saturday, September 11th. We are seeking table sponsors, if you or your employer can help, please let Anne know at anne.adler@albertinakerr.org Thank you.

Marketing and Communications

Our talented marketing team continues to get Kerr's brand and story out there. Thanks to Kerr's community partnership with KOIN, as well as increased recognition of Kerr as a children's mental health expert, there have been 30 earned media stories in markets from Portland to Eugene and Medford-Klamath Falls (total audience: 2.3 million; total publicity value: \$48,976) since January. This has been coupled with strategic paid advertising and owned media to tell the story of Kerr's services, the Workforce & Inclusive Housing Project and Rip City Race for the Roses. **Coming up:** KOIN AM Extra featuring Jeff and Gary Daniels, UHC, airing throughout the day on Tuesday, April 20th on KOIN and the CW.

Thank you to all for making Kerr's continuing work and success possible!

Anne

FY21 Campaign Performance through 4/13

Description	Total Given 4/13/2021	Goal FY21	%Goal	Last Year Total Given 4/13/2020	Variance (FY20 vs. FY21)	Outstanding to raise or below budget	+/- from 4/6/2021	Notes
24 HOK	\$ 451,064	\$ 380,000	119%	\$ 498,298	\$ (47,234)	\$ (71,064)	\$ -	
Race for the Roses	\$ 67,800	\$ 150,500	45%	\$ 124,593	\$ (56,794)	\$ 82,701	\$ 341	(1)
Non-Event Corporate & Workplace Giving	\$ 83,581	\$ 107,193	78%	\$ 127,093	\$ (43,512)	\$ 23,612	\$ -	
Planned Giving/Endowment Funds	\$ 13,431	\$ 150,000	9%	\$ 143,789	\$ (130,358)	\$ 136,569	\$ -	
Individual Giving	\$ 810,867	\$ 550,000	147%	\$ 469,638	\$ 341,229	\$ (260,867)	\$ 2,878	
Grants	\$ 1,327,437	\$ 1,117,750	119%	\$ 899,048	\$ 428,389	\$ (209,687)	\$ 270,000	(2)
Dues/Other	\$ 17,307	\$ -	n/a	\$ 19,627	\$ (2,320)	\$ (17,307)	\$ -	(3)
Total Cash & Pledges	\$ 2,771,487	\$ 2,455,443	113%	\$ 2,282,086	\$ 489,401	\$ (316,044)	\$ 273,219	
Grant a Wish Holiday Giving	\$ 36,074	\$ 35,000	103%	\$ 60,121	\$ (24,047)	\$ (1,074)	\$ -	
Non-GAW In-Kind	\$ 338,918	\$ 250,000	136%	\$ 243,871	\$ 95,047	\$ (88,918)	\$ 300,000	(4)
Total In-Kind	\$ 374,992	\$ 285,000	132%	\$ 303,992	\$ 71,000	\$ (89,992)	\$ 300,000	
Grand Totals	\$ 3,146,479	\$ 2,740,443	115%	\$ 2,586,078	\$ 560,401	\$ (406,036)	\$ 573,219	

FY20 Results for the same period:

FY20 YTD - Cash	\$ 2,282,086
FY20 YTD - In-Kind	\$ 303,992
FY20 YTD Total	\$ 2,586,078
FY20 Goal	\$ 3,617,324
FY20 YTD %	71%

Notes:

- (1) Deferred from FY20 - racers deferred to 2022
- (2) HEDCO included
- (3) Nonbudgeted TOKNA related revenues (e.g. jewelry sales)
- (4) Non-GAW In-kind includes a projection of \$300,000 based upon current commitments and last year's values for Entercom, KOIN, and Portland Trailblazers

Strategic Plan Initiative Update

Through 12/31/2020

icon	Initiative Name	Initiative Description	Primary Update	Start Date	Completion Date	Status	PercentComplete	Lead
	Lean	Thoughtfully implement continuous improvement across the organization	DMS implemented at all group homes. Refinement of Epic referral workflows. Support for standardization of Epic workflows in GHs.	1/1/2018	4/17/2020	On Track	98%	Reichert, Aimee
	Total Compensation	Increase Kerr's total compensation for all staff. All employees will earn at least 125% of minimum wage.	Very strong efforts put us in a position to make momentum toward our 125% goal over the strategic plan to date, though economic factors and measures put in place in response to pandemic have slowed our progress as compared to still-rising state minimum wages. This remains a key priority as we enter the budget season for the new year as we look to regain ground we had lost.	1/1/2018	6/29/2022	On Track	95%	Warner, Matthew
	Maximize Revenue Streams	Maximize revenue streams and operational efficiency	Review contracts and operations to ensure optimal operational support. Refined Quality Metrics to increase Kaiser subacute payout Negotiated a glidepath contract to U&C with Providence for subacute MODA rate increase to glidepath to subacute U&C and new ICTS services Focus on improving tracking of EPIC subacute and outpatient claims processing to reduce agings	1/1/2018	1/22/2020	On Track	75%	Jacobs, Janice
	Employee Survey	Design and implement a relevant and meaningful employee satisfaction survey	Complete	1/29/2018	10/31/2018	Complete On-time	100%	Hays, Christine
	Transparent Management Culture	Develop a transparent management culture that treats people with dignity and respect	The pandemic has taught us a fair bit about different opportunities we have to connect with one another and how we can connect as an organization. Regular employee and manager town halls were introduced in March 2020 as a key tool for creating a forum to both share information across the organization and to respond to employee concerns. The implementation of daily tiered huddles as part of our Lean DMS work has also provided conduits for transparency and communication.	1/31/2018	7/15/2019	On Track	52%	Warner, Matthew
	Outcomes Methodology	Establish a meaningful Quality/Outcomes Objectives/Measures methodology	Now that Epic has been implemented agency-wide, we will begin to track new metrics, including behavior tracking, Individual Service Plan completion, updated Medication Error Tracking, and other metrics targeting health and safety as well as program outcomes. We are in the process of reviewing the current and proposed outcomes with the Program and Accreditation Committee to develop a reporting structure that is more relevant and helpful to both the committee and ongoing operations. Next Steps: Update and develop reporting in Epic to report on new types of data being entered into the system agency-wide. Refine reporting metrics to better support ongoing operations, including more real-time feedback and integration into the LEAN daily management structure. There are some significant short-term challenges in reporting as Legacy Health changes 3rd party platforms within Epic over the next 9 months. This could limit our reliable access to aggregate data until the new platform is fully in place.	2/1/2018	9/4/2019	Off Track	80%	Gibson, Owen
	Onboarding & Training	Create & implement onboarding and training that is unified and cohort driven: Kerr University	The shape of our new employee cohort model has evolved through this unusual year, but participants still report positive feedback about the experience and managers appreciate the reduced burden of bringing on new staff. We continue to refine the model as pandemic-related restrictions change and affect how we can safely gather for training. We have also developed a new management and leadership training curriculum to help build skills for leaders in connecting with and managing their teams, understanding that the relationship with a direct supervisor is one of the key factors in employee success. This series is currently in pilot for a full launch later this fiscal year.	2/1/2018	12/11/2019	On Track	85%	Warner, Matthew




Strategic Plan Initiative Update

Through 12/31/2020

	<p>New Fundraising Approach</p>	<p>Create an inspirational and effective fundraising approach</p>	<p>Was on target to exceed fundraising goals for FY20 until WFH revenues had to be delayed to FY21 and COVID-19 fallout occurred per attached, "Fundraising Update FY17-21."</p> <p>Ø On track to significantly exceed budgeted fundraising goals for FY21 however budgeted revenues were set significantly lower due to account for COVID impacts.</p> <p>Ø New videos, branded materials and website developed – June 2019 & beyond.</p> <p>Ø First ever, virtual 24 HOK in 2020 netted 8% more revenue than 2019 which was a record year.</p> <p>Ø New case for support and donor investment opportunities documents almost complete – put on hold in March 2020 due to COVID-19. Still on-hold awaiting confirmation of new programmatic and capital plans for FY22 and beyond.</p> <p>Ø Significant expanded storytelling through content creation (e.g. videos) and expanded digital, print, radio and T.V. (per PBJ & KOIN partnership) dissemination.</p> <p>Ø Kerr reinstated to Oregon's Top 10 Most Admired Nonprofit Organizations in 2020.</p>	<p>2/1/2018</p>	<p>12/15/2020</p>	<p>On Track</p>	<p>75%</p>	<p>Adler, Anne</p>
	<p>Grow Assets</p>	<p>As our Programs continue to grow in size and complexity, we will increase the capacity of our physical plan to meet these needs. New or additional physical plants (GH's) will be either financed by Albertina Kerr or by leasing existing homes.</p>	<p>Continued to rollout 4 bedroom group homes. Reopened 165th to make room at other homes.</p>	<p>2/1/2018</p>	<p>9/2/2022</p>	<p>On Track</p>	<p>75%</p>	<p>Field, Van</p>
	<p>Brand Clarity</p>	<p>Eliminate brand confusion and establish clear brand architecture</p>	<p>Kerr reinstated in Willamette Week GiveGuide in 2019 & 2020 after a hiatus of several years. GiveGuide offers significant promotion of Kerr's message and fundraising efforts to new donors at almost no incremental direct cost. As a result, Kerr has significantly increased its numbers of new donors in the past year as outlined in the attached, "Kerr Brand Awareness Metrics Update."</p> <p>For the first time in its history, Kerr was selected as one of four Portland Business Journal Nonprofit Partners in 2020, resulting in significant "earned" print and digital exposure in PBJ print and digital publications.</p> <p>In 2020, established media partnership with KOIN T.V. and its partner CW which has resulted in significant TV coverage of: 1) Virtual 24HOK Sept 2020, 2) WF&I Groundbreaking Feb 2021 3) Rip City Race for the Roses April-June 2021.</p> <p>Continued increase in earned media opportunities. Recent highlights include Jeff Carr interviews on KGW and KOIN and written stories in several local publications including PBJ, Willamette Week, the Oregonian and Gresham Outlook.</p> <p>All of the above have resulted in significant year over year percentage increases across Kerr Brand Awareness metrics as outlined in the attached "Kerr Brand Awareness Metrics Update."</p>	<p>2/1/2018</p>	<p>11/19/2019</p>	<p>On Track</p>	<p>95%</p>	<p>Adler, Anne</p>
	<p>EHR</p>	<p>Implement a single internally and externally integrated Electronic Health Records platform.</p>	<p>Completed final group home implementation in December after a Covid delay. Billing integration set for February 2021.</p>	<p>5/8/2018</p>	<p>4/30/2020</p>	<p>Complete Late</p>	<p>100%</p>	<p>Rusch, Craig</p>

Strategic Plan Initiative Update

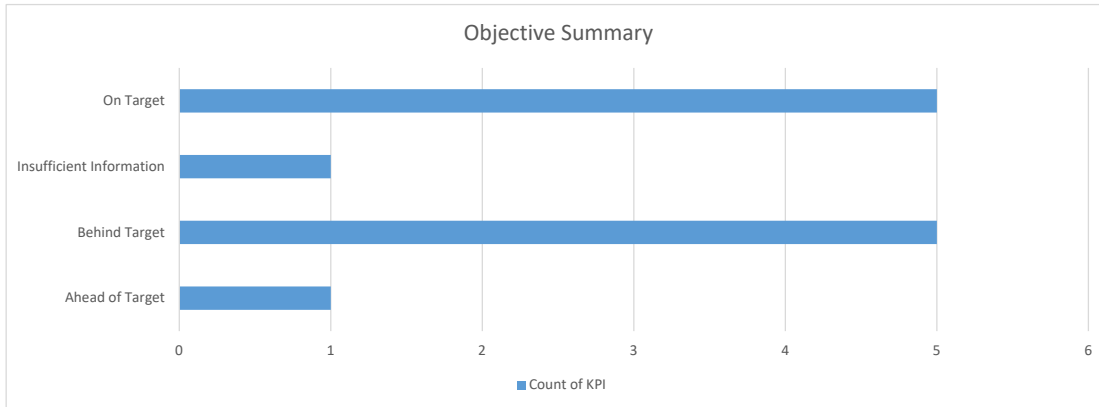
Through 12/31/2020

	<p>Increase Financial Predictability</p>	<p>Increase predictability and reduce volatility through better budget management</p>	<p>Stabilize staff. Address prior year fiscal audit concerns. Upgrade systems for reliability and consistency. Posted roles (Accounting Director and changed clerical role to Accountant) to upgrade accounting depth and experience. Robust revenue reconciliations. Development reconciliation complete, but continuing to map system disconnects. Improved controls by eliminating petty cash and distributed purchase cards for all homes.</p>	<p>7/1/2018</p>	<p>11/6/2019</p>	<p>On Track</p>	<p>75%</p>	<p>Jacobs, Janice</p>
	<p>CPS</p>	<p>Collaborative Problem Solving (CPS - an evidence based approach for reducing oppositional behavior and related outcomes. CPS focuses on identifying and treating lagging cognitive skills that interfere with children's ability to meet adult expectations)</p>	<p>Rolled out to 5 pilot homes in March. Training to begin for remainder of agency by June</p>	<p>1/1/2019</p>	<p>6/20/2020</p>	<p>On Track</p>	<p>45%</p>	<p>Perry, Derrick</p>
	<p>Workforce Development</p>	<p>Provide workforce development and services</p>	<p>Secured funding for WFH and initiated the development. Wynne Watts has been demolished and site is in preparation for construction. 3 units (one studio and two 1-BR units) will be held for emergency housing.</p>	<p>1/1/2019</p>	<p>8/31/2020</p>	<p>On Track</p>	<p>20%</p>	<p>Carr, Jeff</p>

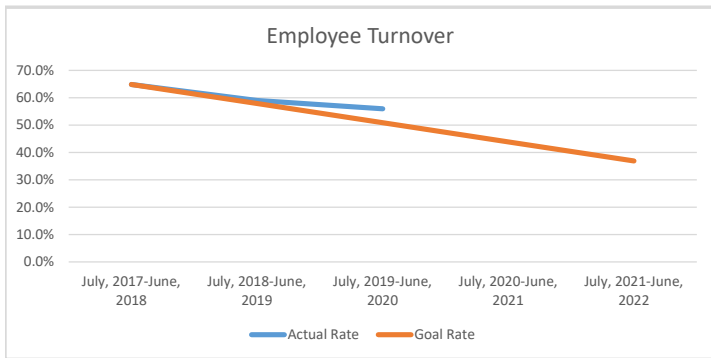
Objectives/Key Performance Indicators

Through 12/31/2020*

(* note that some chart time periods vary)



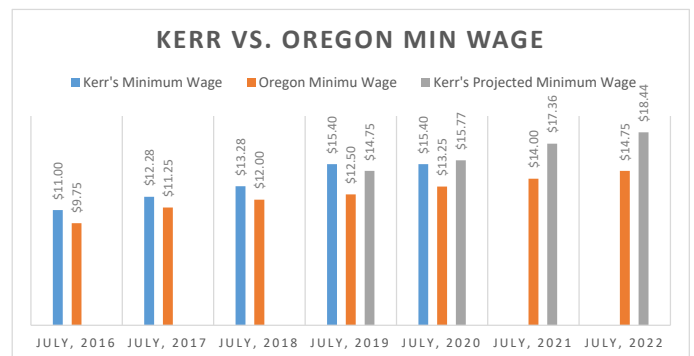
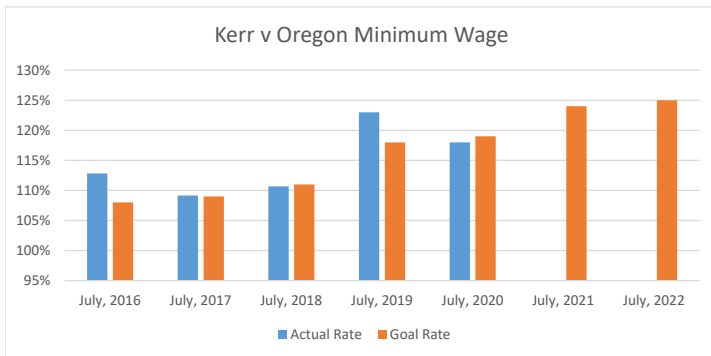
**Reduce the annual turnover rate of staff providing direct support to people we serve by 7 percentage points annually based on June, 2018 baseline of 65%.
Reported Annually - Through June 2020**



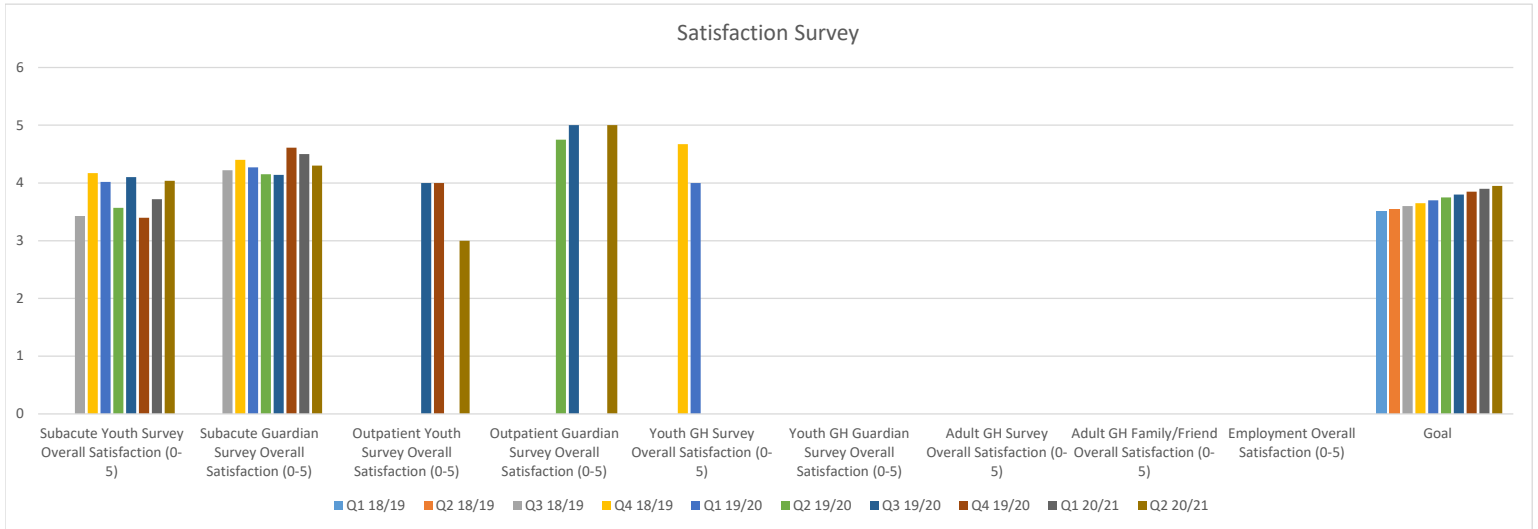
**Improve Kerr Employee Satisfaction Survey measures by 10% each year for the next three years over 17/18 baseline.
Annually Report - Through June 2020**



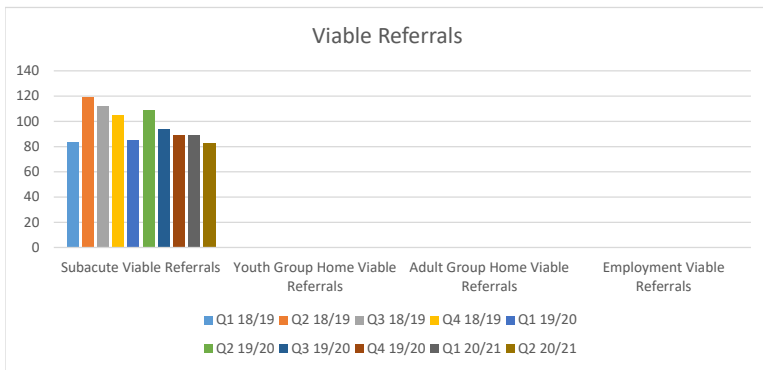
**All Kerr staff earn at least 125% of the relevant state minimum wage by 2022.
Annually Report - Through June 2020**



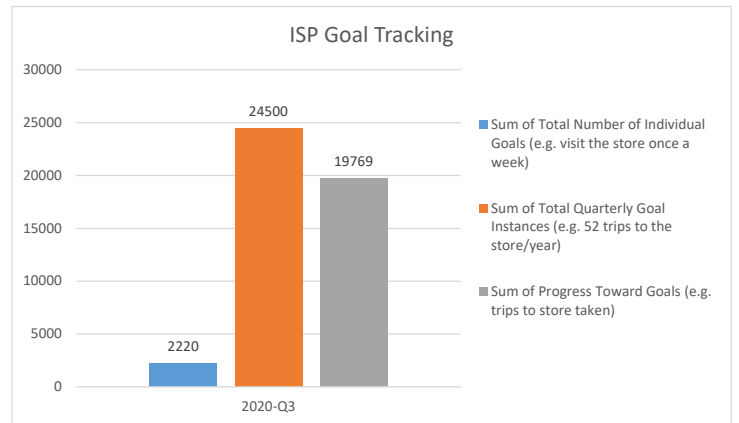
**Year-over-year improvement of consumer satisfaction.
Reported Quarterly - Through Q2, 20/21**



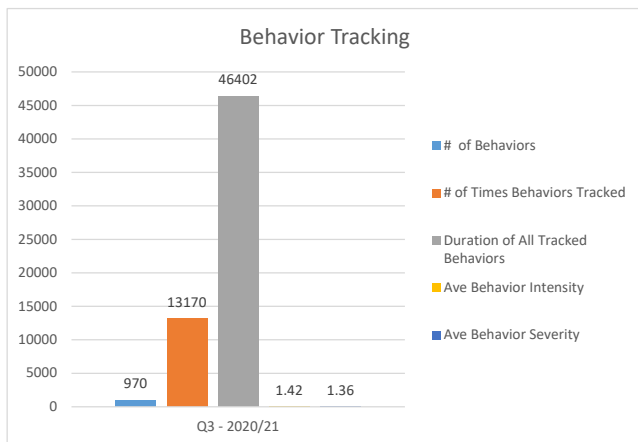
**Annual increase in total number of referrals.
Reported Quarterly - Through Q2, 20/21**



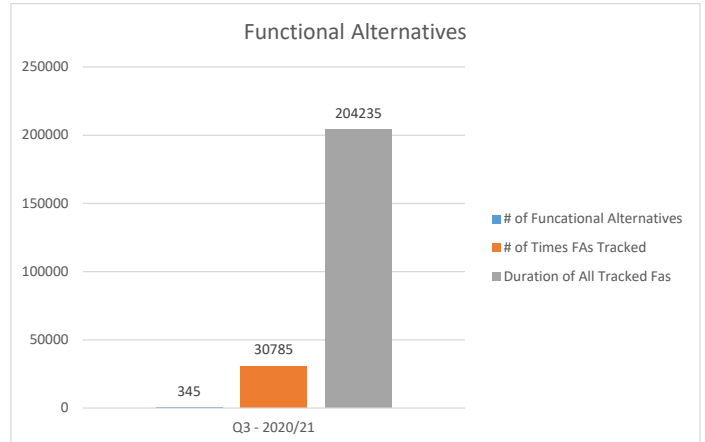
**Year-over-year improvement rates of accomplishment of Individual Service Goals.
New Entry - Reported Quarterly - Starting Q3, 20/21**



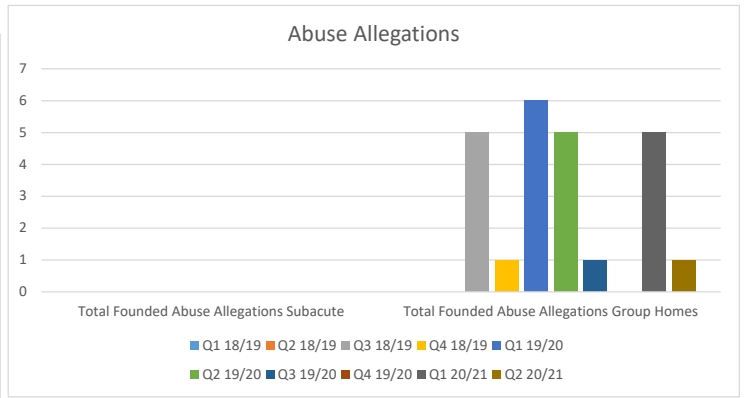
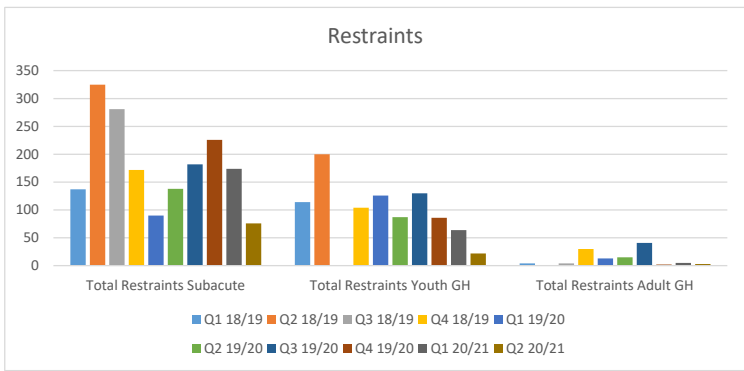
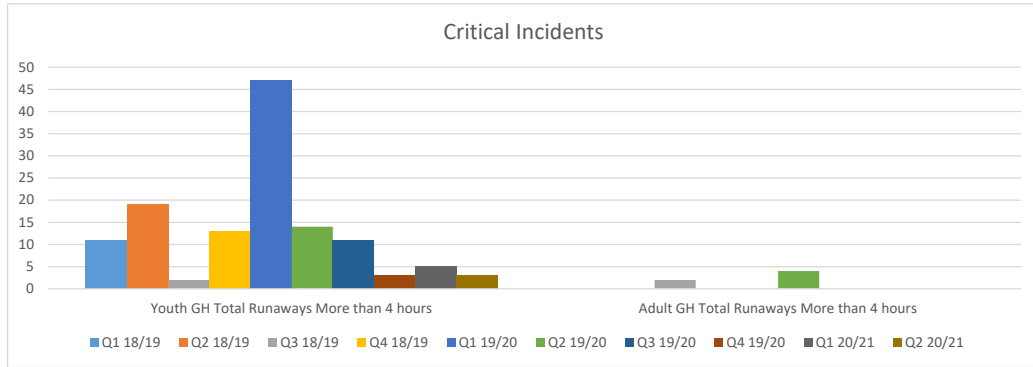
**Behavior Tracking
New Entry - Reported Quarterly - Starting Q3, 20/21**



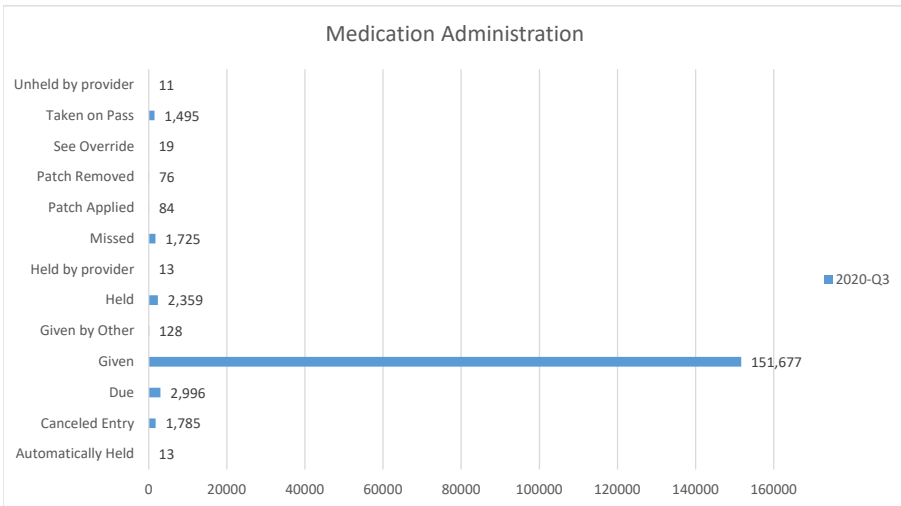
**Functional Alternatives
New Entry - Reported Quarterly - Starting Q3, 20/21**



Annual reduction in adverse client events.
Reported Quarterly - Through Q2, 20/21



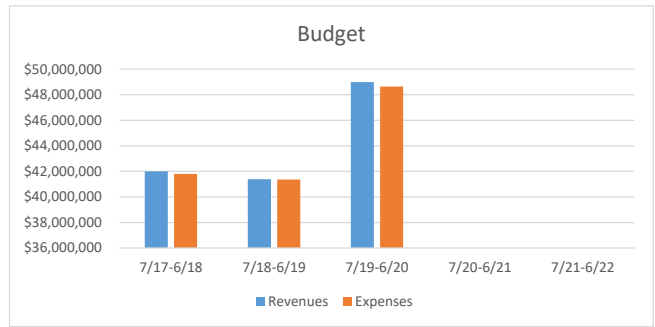
Sustained reduction of medication error rates
New Entry - Reported Quarterly - Starting Q3, 20/21



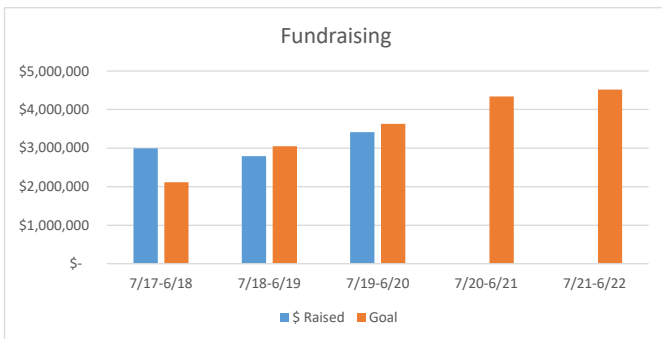
Build and consistently maintain a minimum of a three-month operating reserve by 2022.
Reported Annually - Through June 2020



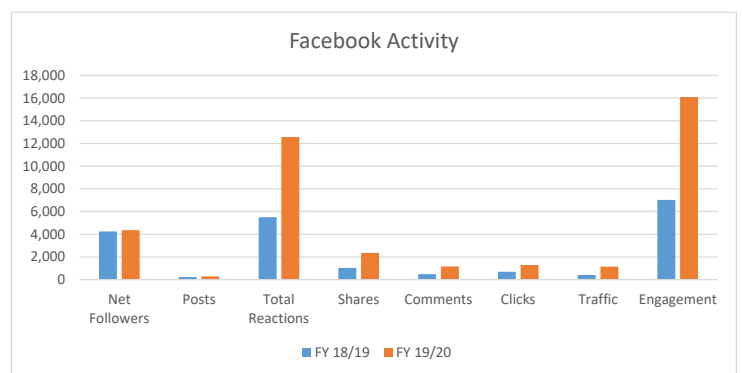
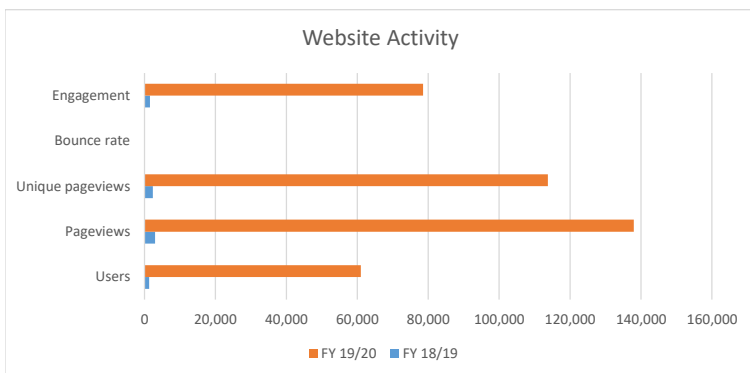
Annually manage to a balanced or surplus budget.
Reported Annually - Through June 2020



Increase fundraising to 10% of annual budget by 2022.
Reported Annually - Through June 2020



Improve brand awareness measures within target audiences by 4% points each year for the next three years over 17/18 baseline.
Reported Annually - Through June 2020



ALBERTINA KERR

April 26, 2021
Report to the Albertina Kerr Board
Jeff Carr, CEO

Introduction

This year seems to be flying by (I can't believe it's already April!), but the spring weather is a nice change. We continue to remain diligent on all our infectious disease protocols throughout Kerr, as well as encourage employees and clients to get vaccinated. Our staff has done an outstanding job for the last 13 months in protecting clients and each other, and I remain proud of the way our team throughout Kerr has managed this challenge.

Staffing Updates

You all received my email announcing Janice Jacobs' departure from Kerr on April 30, 2021. We are grateful for the leadership, dedication and commitment Janice has provided for our Finance team during her time at Kerr and we wish her only the best as she really retires this time! We're hoping she gets in more bike rides, rounds of golf, and time with her family and friends.

We have engaged an Executive Search firm out of Los Angeles to manage the recruitment process to fill the CFO role at Kerr. The firm is the Hawkins Company (www.thehawkinscompany.com). They are a Black owned search firm that has been in business for nearly 40 years and approximately 70% of their executive placements are women and/or people of color. They have done a number of searches in the Pacific Northwest including filling the CFO position at the Port of Portland in the last year. Their search for our opening began in early April and if you know of potential candidates, please refer them to The Hawkins Group where they can get more details about our search.

We continue to be challenged by vacancies in our Direct Support Professional (DSP) positions which is impacting our ability to fill beds in our kids DD residential programs. In addition, we have experienced significant turnover in therapists in our Outpatient Children's Mental Health Program. We are working on a number of initiatives to try and remedy these challenges and stabilize our workforce.

Organizational Highlights

February Financials

We continue to experience positive net operating income for both February and year-to-date, and our cash position has remained strong throughout the year. Janice will provide more details on the February results.

As I wrote in my November and January board reports, we have been looking for land to purchase to build a new group home which would allow us to continue our journey to “right size” all our kids DD group homes to 4 bed homes and to vacate the 165th group home, which would enable us to expand our Subacute program with a fifth 6-bed unit that would focus on kids with IDD/MH co-occurring needs. We located and purchased a property for \$320k on 157th just north of Glisan Street, only five blocks from our Gresham campus. The property currently has a house on it that is a “tear down” and is large enough to have two homes. We have already submitted an application to “split” the lot into two separate lots and we are working with Sum Design on plans for a model “Kerr Group Home” built from the ground up. Once the lot is split we will be able to have two homes next to each other which should help with some efficiencies around staffing and management. We hope to have plans to submit for permits to the City of Portland by June, and to be ready to start construction before the end of this calendar year.

Functional Audit/Process Improvement Work

We continue to make progress on the management letter issues associated with our FY 2019-20 Audit. Ann Ferguson from CFO Selections has been leading this effort in partnership with our new Director of Accounting, Judy Croxford, who joined the Finance Team in February. Janice and I meet weekly with Ann and Judy to get an update on the work that is in progress, and they have developed a dashboard that is tracking this work that is being shared with the FAC Committee. In addition, Gary McGee & Co., will be conducting a preliminary/functional audit the first week of May that will look at financial reporting through March 31, 2021 (9 months) to specifically review the progress being made. Our hope is to have the items identified last year addressed by the end of this fiscal year (June 30th), so we can start the FY 2021-22 year on solid ground.

Legislative Advocacy/State Budget

I have been spending a significant amount of my time since the Legislative Session began on January 19 doing advocacy work around the Legislature and State budget, testifying at multiple hearings, and reaching out to individual legislators. The American Recovery Program (ARP) passed by Congress in March will provide significant support to State and Local governments, however, much of it is one-time funds. This has taken some pressure off the budget process and I feel very confident we will not face any cuts, which is a much better status than this time

last year. There is a bill being carried by Representative Rob Nosse that would mandate the Oregon Department of Human Services (ODHS) to raise rates for IDD providers like Kerr that would enable us to pay DSP's an average wage of \$21 per hour and tie rates to be 150% of minimum wage going forward. The cost is \$230 million from the State General Fund, so I think it is a long-shot that we will get all the way there, but there does seem to be pretty significant support for increasing the pay of this sector of the workforce, so I'm hopeful we may see some movement on this. That being said, for budgeting purposes, we will assume no increases in our rates, which I think is a fiscally prudent approach.

Insurance Broker Review & Selection process

As part of our ongoing due diligence to manage vendors that Kerr does business with, we recently completed an insurance broker review and selection process. Three local firms submitted proposals and we have decided to change brokers from Heffernan Insurance to Durham & Bates for our Property and Casualty insurance. Durham & Bates has already been brokering our workers compensation and unemployment insurance bond for over 15 years, and they submitted a very competitive proposal that will actually lower the cost of commissions on our policies, and we believe they will continue to provide excellent service on the expanded lines of insurance they will be managing.

Workforce & Inclusive Housing Update

Construction is well underway on our Workforce & Inclusive Housing project, as we closed all our financing on January 29th. The site has been completely transformed and framing began last week on the "A Wing", so it is starting to look like a real building. So far, we are on schedule with an estimated construction completion the 3rd week of May 2022.

We held our "virtual groundbreaking" event on February 17th and received rave reviews for the event and some significant press coverage. Thanks to Anne Adler and her team (especially Jeanette Weston) who did a magnificent job of putting this event together. As a result of this event and some of the media coverage of the event, I received a call from Senator Wyden's office who wanted to learn more about our project, as they are working on legislation related to housing and the infrastructure bill that President Biden has introduced. We will be having some additional conversations with Senator Wyden with the goal of replicating our work here locally and perhaps beyond. And on that note, attached to my report is a slide deck that further outlines the opportunity we discussed at our January meeting to look at building 20 units of housing on the site of the Albertina's Place Thrift Store at our historic headquarters property. We will discuss this further at the meeting.

Other Highlights

As we have discussed in the past, Kerr has decided to move our accreditation from the Joint Commission to the Commission on Accreditation of Rehabilitation Facilities (CARF). Our first step is to license our Children's Mental Health programs (currently accredited by Joint

Commission), with the long-term goal of getting accreditations for all our IDD programs as well. We had our first site visit/review the week of April 12th and things went very well. Kudos to Owen Gibson and his team for their leadership and all the folks involved in our children's mental health programs. We should know the results sometime in June or July.

We launched our Inclusive Continuing Care Community (IC3) concept exploration with a townhall on March 16th with families who have adult children who experience IDD, as well as other key advisors. The turnout was great and GBD architects is in the process of conducting interviews with families to flesh out what sort of community families desire that would allow them to "age in place" with their adult children, while ensuring their children are cared for after the parents have passed.

We conducted an after-action review of the February ice storm that impacted all of Oregon, including many of our group homes which lost power for an extended number of days. We will be making some changes in our emergency plan and using this as a real learning opportunity, although it was a thing of beauty to see how people across Kerr rallied to support each other during the storm.

We have been in conversation with Providence Health Systems regarding some potential programmatic expansion and partnership that I will share more about with the Board at our meeting. Thanks to Lisa Powell for reaching out to me on behalf of Providence and initiating the conversation a number of months ago.

I was pleased to present to the Statewide System of Care Council about our proposal with OHSU that would develop an assessment center and IDD/MH unit at Kerr. The council was very supportive, and we will see where this goes in the Legislature in terms of funding. I also completed my Partners in Diversity CEO Cohort in March and was grateful to have had the opportunity to journey with five other local CEO's and a DEI consultant on how to strengthen our DEI work at Kerr.

I want to thank Craig Rusch for his continuing work on tracking the progress on our Strategic Plan and hope the update he provided in the packet on our results through December 31, 2020 was helpful. We have a year and a half left in this plan (June 30, 2022) and I've begun the conversations with Corragio Group about helping us develop our next plan sometime in late Fall 2021, so that it can be developed and approved by the Board before starting in July 2022.

Finally, it is with mixed emotion that I want to inform you that Laura Shipley resigned from the Kerr Board of Directors earlier this month, but the good news is that she will continue to be involved with Kerr, because she will be assuming responsibility for Bank of America as our Relationship Manager.

Conclusion

I appreciate your continued support for our mission, which is as important now for our community as it has been at any time in the last 114 years.

Albertina Kerr

Consolidated Statement of Activities

February 2021

This Month

	Actual 2/28/21	Budget 2/28/21	Variance	% Change
Revenue				
Contract and Program Revenue	\$3,720,424.05	\$3,737,079.89	(\$16,655.84)	(0.45)%
Contribution and Event Revenue	\$20,165.23	\$54,766.05	(\$34,600.82)	(63.18)%
Kerr Bikes/Sales to Public	\$1,146.79	\$1,004.80	\$141.99	14.13 %
Investment Spend	\$27,909.91	\$27,909.91	\$0.00	0.00 %
In-Kind Contributions	\$2,684.08	\$4,166.67	(\$1,482.59)	(35.58)%
Total Revenue	\$3,772,330.06	\$3,824,927.32	(\$52,597.26)	(1.38)%
Expenses				
Salaries & Wages	\$2,279,030.20	\$2,421,727.59	\$142,697.39	6.26 %
Employee Benefits	\$340,771.07	\$324,194.84	(\$16,576.23)	(4.86)%
Payroll Taxes	\$300,324.87	\$232,879.09	(\$67,445.78)	(22.46)%
Contracted Direct Labor	\$19,714.40	\$7,586.47	(\$12,127.93)	(61.52)%
Other Employee Related Costs	\$14,576.07	\$27,392.19	\$12,816.12	87.93 %
Professional Fees & Insurance	\$40,539.58	\$53,488.27	\$12,948.69	31.94 %
Telecommunications	\$2,116.83	\$8,760.33	\$6,643.50	313.84 %
Facilities & Occupancy	\$201,979.95	\$212,496.99	\$10,517.04	5.21 %
Utilities	\$49,692.23	\$56,999.40	\$7,307.17	14.70 %
Equipment	\$24,279.34	\$21,147.31	(\$3,132.03)	(12.90)%
Program & Office Supplies	\$103,259.05	\$110,014.01	\$6,754.96	6.54 %
MIS	\$83,643.09	\$115,521.11	\$31,878.02	38.11 %
Vehicles	\$42,323.97	\$39,537.56	(\$2,786.41)	(6.58)%
PR & Fundraising	\$4,790.39	\$14,389.07	\$9,598.68	200.37 %
Cost of In-Kind Goods/Services	\$2,684.08	\$4,166.67	\$1,482.59	55.24 %
Training & Other	\$10,657.37	\$60,921.55	\$50,264.18	471.64 %
Interest Expense	\$15,463.48	\$17,610.49	\$2,147.01	13.88 %
Total Manageable Expenses	\$3,535,845.97	\$3,728,832.94	\$192,986.97	5.46 %
OPERATIONAL NET SURPLUS/(DEFICIT)	\$236,484.09	\$96,094.38	\$140,389.71	146.10 %
Investment/SWAP Changes	\$150,245.76	\$0.00	\$150,245.76	0.00 %
Workforce Housing Grants	\$0.00	\$0.00	\$0.00	0.00 %
NET SURPLUS/(DEFICIT)	\$386,729.85	\$96,094.38	\$290,635.47	302.45 %

Albertina Kerr

Consolidated Statement of Activities February Year-to-Date 2021

	Year to Date			
	Actual 2/28/21	Budget 2/28/21	Variance	% Change
Revenue				
Contract and Program Revenue	\$31,044,853.76	\$29,717,013.51	\$1,327,840.25	4.47 %
Contribution and Event Revenue	\$2,477,970.95	\$1,597,878.30	\$880,092.65	55.08 %
Kerr Bikes/Sales to Public	\$46,162.47	\$77,141.71	(\$30,979.24)	(40.16)%
Investment Spend	\$223,279.28	\$223,279.28	\$0.00	0.00 %
In-Kind Contributions	\$50,379.99	\$77,683.32	(\$27,303.33)	(35.15)%
Total Revenue	\$33,842,646.45	\$31,692,996.12	\$2,149,650.33	6.78 %
Expenses				
Salaries & Wages	\$20,840,124.77	\$20,938,517.23	\$98,392.46	0.47 %
Employee Benefits	\$2,752,930.85	\$2,593,769.77	(\$159,161.08)	(5.78)%
Payroll Taxes	\$2,236,700.52	\$2,108,763.74	(\$127,936.78)	(5.72)%
Contracted Direct Labor	\$156,736.89	\$60,691.52	(\$96,045.37)	(61.28)%
Other Employee Related Costs	\$223,922.20	\$227,388.87	\$3,466.67	1.55 %
Professional Fees & Insurance	\$345,035.94	\$427,911.80	\$82,875.86	24.02 %
Telecommunications	\$25,054.79	\$70,082.64	\$45,027.85	179.72 %
Facilities & Occupancy	\$1,661,111.78	\$1,699,974.86	\$38,863.08	2.34 %
Utilities	\$403,756.04	\$455,995.11	\$52,239.07	12.94 %
Equipment	\$188,265.28	\$185,728.19	(\$2,537.09)	(1.35)%
Program & Office Supplies	\$878,801.55	\$881,610.83	\$2,809.28	0.32 %
MIS	\$764,605.38	\$924,168.54	\$159,563.16	20.87 %
Vehicles	\$253,108.38	\$316,299.70	\$63,191.32	24.97 %
PR & Fundraising	\$82,838.54	\$163,844.40	\$81,005.86	97.79 %
Cost of In-Kind Goods/Services	\$50,379.99	\$68,333.32	\$17,953.33	35.64 %
Training & Other	\$87,876.59	\$487,370.91	\$399,494.32	454.61 %
Interest Expense	\$126,964.18	\$142,625.62	\$15,661.44	12.34 %
Total Manageable Expenses	\$31,078,213.67	\$31,753,077.05	\$674,863.38	2.17 %
OPERATIONAL NET SURPLUS/(DEFICIT)	\$2,764,432.78	(\$60,080.93)	\$2,824,513.71	(4,701.18)%
Investment Income	\$1,303,599.23	\$0.00	\$1,303,599.23	0.00 %
Workforce Housing Grants	\$425,000.00	\$425,000.00	\$0.00	0.00 %
NET SURPLUS/(DEFICIT)	\$4,493,032.01	\$364,919.07	\$4,128,112.94	N/A

Albertina Kerr Centers Program Operating Recap

February 2021

	MTD MTD_Contr & Prg_Rev	MTD Grant & Contribution Revenue	MTD Other Revenue	MTD Total Revenue	MTD Direct Expenses	MTD Margin Generated	MTD Indirect Allocations	MTD Total Expenses	MTD Operating Results	MTD Budget	Actual vs. Budget Variance
Programs											
Adult Group Homes											
Clackamas County Adult DD	435,177.42	0.00	0.00	435,177.42	407,060.13	28,117.29	36,282.33	443,342.46	(8,165.04)	(44,568.78)	36,403.74
Multnomah County Adult DD	337,957.68	0.00	0.00	337,957.68	310,275.36	27,682.32	28,082.70	338,358.06	(400.38)	(20,064.85)	19,664.47
Washington County Adult DD	175,183.80	0.00	0.00	175,183.80	145,559.42	29,624.38	12,454.09	158,013.51	17,170.29	22,413.90	(5,243.61)
Marion County Adult DD	399,508.94	0.00	0.00	399,508.94	350,512.03	48,996.91	34,823.56	385,335.59	14,173.35	(21,139.22)	35,312.57
	1,347,827.84	0.00	0.00	1,347,827.84	1,213,406.94	134,420.90	111,642.68	1,325,049.62	22,778.22	(63,358.95)	86,137.17
Employment Services	72,983.77	10.60	0.00	72,994.37	100,925.51	(27,931.14)	9,740.62	110,666.13	(37,671.76)	19,570.56	(57,242.32)
Studios	13.75	0.00	0.00	13.75	16,134.35	(16,120.60)	(1,058.46)	15,075.89	(15,062.14)	(21,463.70)	6,401.56
Kids DD Group Homes	1,499,739.95	0.00	0.00	1,499,739.95	1,033,700.58	466,039.37	98,447.94	1,132,148.52	367,591.43	278,004.22	89,587.21
Transition-Aged Group Homes	223,205.43	0.00	0.00	223,205.43	232,855.21	(9,649.78)	22,037.85	254,893.06	(31,687.63)	(40,576.33)	8,888.70
Kerr Bikes	1,146.79	0.00	0.00	1,146.79	6,729.52	(5,582.73)	354.33	7,083.85	(5,937.06)	(8,454.63)	2,517.57
Outpatient Mental Health	68,263.33	3,109.95	0.00	71,373.28	79,325.96	(7,952.68)	5,723.14	85,049.10	(13,675.82)	2,208.42	(15,884.24)
Subacute	481,054.50	278.56	16,269.08	497,602.14	463,284.28	34,317.86	35,551.38	498,835.66	(1,233.52)	(31,168.41)	29,934.89
Program Oversight and Other	0.00	4,105.34	0.00	4,105.34	5,637.33	(1,531.99)	0.00	5,637.33	(1,531.99)	(88,553.11)	87,021.12
Behavioral Specialists	11,066.40	0.00	0.00	11,066.40	49,524.22	(38,457.82)	4,714.22	54,238.44	(43,172.04)	(41,277.16)	(1,894.88)
Total Programs	3,705,301.76	7,504.45	16,269.08	3,729,075.29	3,201,523.90	527,551.39	287,153.70	3,488,677.60	240,397.69	4,930.91	235,466.78
Admin & Other											
Campus Buildings	0.00	0.00	0.00	0.00	3,604.70	(3,604.70)	0.00	3,604.70	(3,604.70)	11,616.35	(15,221.05)
Indirect Admin	0.00	18,285.70	0.00	18,285.70	330,072.82	(311,787.12)	(287,198.24)	42,874.58	(24,588.88)	(27,290.74)	2,701.86
Inv. Spend Rate	0.00	24,969.07	0.00	24,969.07	250.00	24,719.07	0.00	250.00	24,719.07	(16,776.16)	41,495.23
Other Pooled Direct Costs	0.00	0.00	0.00	0.00	439.09	(439.09)	0.00	439.09	(439.09)	123,614.02	(124,053.11)
Total Admin & Other	0.00	43,254.77	0.00	43,254.77	334,366.61	(291,111.84)	(287,198.24)	47,168.37	(3,913.60)	91,163.47	(95,077.07)
Total Operating (Before Contingency)	3,705,301.76	50,759.22	16,269.08	3,772,330.06	3,535,890.51	236,439.55	(44.54)	3,535,845.97	236,484.09	96,094.38	140,389.71
Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(41,666.67)	(41,666.67)
Investment Income	0.00	0.00	150,245.76	150,245.76	0.00	150,245.76	0.00	0.00	150,245.76	0.00	150,245.76
Workforce Housing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Albertina Kerr Centers
Program Operating Recap
For February YTD 2021

	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	Actual vs.
	YTD_Contr	Grant &	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	Actual vs.
	& Prg_Rev	Contribution	Other	Total	Direct	Margin	Indirect	Total	Operating	Budget	Budget
		Revenue	Revenue	Revenue	Expenses	Generated	Allocations	Expenses	Results		Variance
Programs											
Adult Group Homes											
Clackamas County Adult DD	3,347,377.81	0.00	13,874.68	3,361,252.49	3,649,027.73	(287,775.24)	237,080.17	3,886,107.90	(524,855.41)	(576,589.98)	51,734.57
Multnomah County Adult DD	2,714,100.45	0.00	12,413.82	2,726,514.27	2,745,601.08	(19,086.81)	176,252.37	2,921,853.45	(195,339.18)	(328,287.36)	132,948.18
Washington County Adult DD	1,479,802.61	0.00	18,613.80	1,498,416.41	1,225,253.87	273,162.54	79,093.34	1,304,347.21	194,069.20	112,005.95	82,063.25
Marion County Adult DD	2,993,467.11	0.00	20,207.96	3,013,675.07	3,021,623.61	(7,948.54)	212,886.54	3,234,510.15	(220,835.08)	(345,488.88)	124,653.80
	10,534,747.98	0.00	65,110.26	10,599,858.24	10,641,506.29	(41,648.05)	705,312.42	11,346,818.71	(746,960.47)	(1,138,360.27)	391,399.80
Employment Services	580,215.88	84.80	155,745.13	736,045.81	932,787.00	(196,741.19)	63,589.33	996,376.33	(260,330.52)	107,867.82	(368,198.34)
Studios	37,481.43	200.00	143,022.13	180,703.56	274,449.09	(93,745.53)	2,026.45	276,475.54	(95,771.98)	(236,700.13)	140,928.15
Kids DD Group Homes	12,627,137.52	202,500.00	5,756.79	12,835,394.31	9,277,357.56	3,558,036.75	627,962.59	9,905,320.15	2,930,074.16	1,598,011.90	1,332,062.26
Transition-Aged Group Homes	1,907,541.20	0.00	0.00	1,907,541.20	2,184,054.35	(276,513.15)	148,014.93	2,332,069.28	(424,528.08)	(461,062.94)	36,534.86
Kerr Bikes	47,492.79	0.00	22,500.00	69,992.79	96,086.12	(26,093.33)	5,445.11	101,531.23	(31,538.44)	(3,206.02)	(28,332.42)
Outpatient Mental Health	640,938.91	299,175.84	34,831.01	974,945.76	779,079.72	195,866.04	38,744.60	817,824.32	157,121.44	(65,564.24)	222,685.68
Subacute	3,928,255.69	24,009.74	196,916.37	4,149,181.80	4,144,080.66	5,101.14	229,007.62	4,373,088.28	(223,906.48)	(610,668.75)	386,762.27
Program Oversight and Other	0.00	134,633.66	0.00	134,633.66	148,111.47	(13,477.81)	0.00	148,111.47	(13,477.81)	(758,554.36)	745,076.55
Behavioral Specialists	70,162.72	0.00	49.09	70,211.81	424,766.71	(354,554.90)	28,795.46	453,562.17	(383,350.36)	(362,449.22)	(20,901.14)
Total Programs	30,373,974.12	660,604.04	623,930.78	31,658,508.94	28,902,278.97	2,756,229.97	1,848,898.51	30,751,177.48	907,331.46	(1,930,686.21)	2,838,017.67
Admin & Other											
Campus Buildings	0.00	0.00	0.00	0.00	42,855.04	(42,855.04)	0.00	42,855.04	(42,855.04)	92,930.63	(135,785.67)
Indirect Admin	0.00	1,856,450.80	103,532.43	1,959,983.23	2,126,998.94	(167,015.71)	(1,848,943.07)	278,055.87	1,681,927.36	851,079.22	830,848.14
Investment Spend Rate	0.00	223,279.28	0.00	223,279.28	0.00	223,279.28	0.00	0.00	223,279.28	223,279.28	0.00
Other Pooled Direct Costs	0.00	0.00	875.00	875.00	6,125.28	(5,250.28)	0.00	6,125.28	(5,250.28)	703316.15	(708,566.43)
Total Admin & Other	0.00	2,079,730.08	104,407.43	2,184,137.51	2,175,979.26	8,158.25	(1,848,943.07)	327,036.19	1,857,101.32	1,870,605.28	(13,503.96)
Total Operating (Before Contingency)	30,373,974.12	2,740,334.12	728,338.21	33,842,646.45	31,078,258.23	2,764,388.22	(44.56)	31,078,213.67	2,764,432.78	(60,080.93)	2,824,513.71
Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(333,328.00)	333,328.00
Investment Income	0.00	0.00	1,303,599.23	1,303,599.23	0.00	1,303,599.23	0.00	0.00	1,303,599.23	0.00	1,303,599.23
Workforce Housing	0.00	425,000.00	0.00	425,000.00	0.00	425,000.00	0.00	0.00	425,000.00	425,000.00	0.00

Albertina Kerr Consolidated Balance Sheet

	2/28/21	1/31/21
Cash and Cash Equivalents	\$2,130,798.40	\$2,549,578.43
Cash held for others	\$257,826.90	\$256,813.31
Contract/Program Receivables	\$3,168,887.13	\$2,943,059.24
Less: Allowance for Doubtful Accounts	(\$52,114.14)	(\$52,114.14)
Investments	\$10,463,944.65	\$10,313,171.98
Charitable remainder trust receivables	\$281,688.73	\$281,688.73
Contributions Receivable	\$58,689.24	\$103,675.14
Other Receivables	\$18,598.70	\$19,394.35
Prepaid Expenses, Deposits & Other Current Assets	\$346,859.69	\$644,071.85
Other Long-Term Assets	(\$30,757.30)	(\$57,156.77)
Fixed Assets, Net	\$22,407,366.48	\$21,930,677.15
Due From / (To) Other Funds	(\$424.59)	(\$424.58)
Total Assets	\$39,051,363.89	\$38,932,434.69
Accounts Payable and Accrued Expenses	\$1,151,080.61	\$915,740.47
Accrued Payroll Liabilities	\$360,005.59	\$664,457.76
PAL Liability	\$814,304.86	\$828,397.04
Contract Overpayments/Advances	\$148,022.84	\$139,721.82
Unemployment Reserve	\$133,335.51	\$272,103.61
Long-term debt	\$4,029,793.39	\$4,067,644.44
Total Liabilities	\$6,636,542.80	\$6,888,065.14
Available for Operations	\$9,444,794.40	\$9,619,357.54
Investment in Fixed Assets	\$18,346,815.79	\$17,805,875.94
Temporarily restricted	\$2,370,250.85	\$2,366,479.44
Permanently restricted	\$2,252,960.05	\$2,252,656.63
Total Net Assets	\$32,414,821.09	\$32,044,369.55
Total Liabilities and Net Assets	\$39,051,363.89	\$38,932,434.69

Ad-Hoc Board Planning Committee

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Matrix of Deliverables

The table below provides a high-level overview of deliverables to the board and the ad-hoc committee tasked with completing the deliverable.

Deliverable	Priority	David/Craig Committee	Miki/Anne Committee	Unknown & Unassigned
Board Member Responsibility Document/Job Description			X	
Board Position Job Descriptions				
Board Organization Chart	1	X		
Board Recruiting Strategy/Process/Decision Process			X	
Board Orientation Package	2	X		
Board Mentoring Program				X
Board Meeting Evaluation Approach	3	X		
Board Member Evaluation Approach	4	X		
Formation of Board Recruiting/Orientation Committee			X	
Board Member Personal & Experience Data Form/Bio			X	
Other Board Structures (e.g. Advisory Board, Young Professionals Board, etc.)				X

Board Organization Chart

This is a first draft



Board Orientation Approach

The committee recommends the following approach for onboarding new board members:

Within the first month of becoming a board member

Each board member will attend training sessions where they will be exposed to the following:

- Education about Kerr programs – what are they, which populations do they serve, what are their goals/outcomes?
- What does it take to run 24/7 operations for our populations?
- Discussion of how we connect with our populations (most helpful for members who do not have experience interacting with our populations)
- Information about Kerr’s market and the ecosystem. Who handles the things that Kerr does not do and what are those things? What is the potential future for each of our programs? Should we expect increases or decreases in funding?
- Training on Kerr mission and vision, strategic plan, critical bylaws, financials, roles and responsibilities and legal duties
- Discussion of how funding works for our programs
- Provide map of our program locations

Within the first 4-6 months of becoming a board member

- Visit 1-2 group homes (vary type – youth, transition, adult, medical), the campus and attend a couple of staff program meetings
- Introductions to key members of Kerr staff (program leads, department heads) as well as DSP and program staff
- Participate in one committee meeting for each of the committees that you don't sit on

Next Steps

- Identify individuals to develop training materials
- Identify appropriate Kerr program meetings for board members to attend
- Develop materials
- Identify board trainers
- Create training agendas
- Present training to board

Board Meeting Evaluation Approach

After each board/committee meeting, we recommend sending a very brief survey to each board member in attendance to solicit feedback on the meeting. While the mechanics of the meeting may be one aspect of the survey, the most important aspects to get feedback on are the effectiveness and importance of the meetings. Below are some sample questions that we could ask.

Sample Questions

- Was the meeting time well spent?
- Were you energized?
- Did you make meaningful contributions?
- Are we on the right track?
- Was our conversation strategic, future-focused and engaging?
- Did the meeting stay on point?
- How appropriate, interesting, and timely were the meeting topics?
- Are board members getting the information they need to keep abreast of the organization activities?

Operational Aspects

- Kerr administrative staff would be responsible for setting up the questions on a survey tool and sending out the requests for evaluations
- Evaluations would be reviewed by the board chair and executive committee

Board Member Evaluation Approach

The committee suggests that the other ad-hoc committee finishes the job description and then we develop the member evaluation.

Some questions to consider

Should the evaluations be completed quarterly? Annually?

Who does the evaluation?

Should there be a self-evaluation?

Board of Directors

Chair: Miki Herman
Expires June 2022

Chair Elect:
David Lake

Members
Craig Payne, David Boxberger, David Connell, David Lake, David Wilson, Dennis Warneke, Heidi Steeves, Jill Nickerson, Karen Rasmussen, Kim Curry, Laura Shipley, Lisa Powell, Melissa May, Miki Herman, Paul Litwinczuk, Rod Malone, Susan Hobbel, Teri Barichello, Jeff Carr (ex officio)

Executive

Chair: Miki Herman
Expires June 2022

Chair Elect:
David Lake

Members:
Immediate Past Chair: David Boxberger, **P&A Chair:** David Wilson, **FAC Chair:** Karen Rasmussen

Staff Representatives:
Jeff Carr (ex officio)

Finance, Audit & Compliance

Chair: Karen Rasmussen
Expires June 2021

Chair Elect: Paul Litwinczuk

Members:
Craig Payne, David Connell, Jill Nickerson, Laura Shipley, Melissa May, Rodd Malone

Staff Representatives:
Owen Gibson, Janice Jacobs

Program & Accreditation

Chair: David Wilson
Expires June 2022

Chair Elect: Lisa Powell

Members:
Dennis Warneke, Heidi Steeves, Kim Curry, Melissa May, Susan Hobbel, Teri Barichello

Staff Representatives:
Craig Rusch, Matthew Warner, Derrick Perry, Van Field

Foundation Board of Trustees

Chair: Terry Donahe
Expires June 2022

Chair Elect: TBD

Members:
Jeff Carr (ex officio), Mary Lago, Paul Litwinczuk, Sarah Robinson

Staff Representatives:
Chris Canter, Anne Adler

24 Hours of Kerr

Chair: TBD

Chair Elect: TBD

Members:
Dave Manougian, Clarke Leaverton, Adele' Nofield, Norm Russell, Carilyn Alexander, Ben Huszti

Staff Representatives:
Anne Adler

Board Recruitment ?

Chair: Miki Herman

Chair Elect: TBD

Members: Lisa Powell, Kim Curry, Heidi Steeves, Linda Carter (Adviser)

Staff Representatives:
Anne Adler



Ad Hoc Board Recruitment Working Group (AHBRWG) Update and Requested Board Actions for April 26, 2021

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Background	Page 2
Summary of Requested Actions	Pages 2 + 3
Documents proposed for Approval	
➤ Kerr Board Member Expectations	Page 4 + 5
➤ Kerr Board Member Recruitment Process	Page 6
➤ Kerr Board Member Recruitment Priorities	Page 7 + 8
➤ Kerr Interim Recruitment Plan Draft	Page 9 + 10



Ad Hoc Board Recruitment Working Group Update and Requested Board Actions – April 2021

Background:

Since its creation in November 2020, Albertina Kerr's Ad Hoc Board Recruitment Working Group (AHBRWG), whose members include Anne Adler, Linda Carpenter, Kim Curry, Miki Herman, Lisa Powell and Heidi Steeves, has been meeting approximately once per month to develop a Board Member Recruitment Plan for Kerr. Much has been accomplished, including development of updated Board Member expectations, recruitment priorities and recruitment processes. In the course of its work, the AHBRWG has determined that in order to develop and sustain an effective, diverse and engaged board, the tasks of Board recruitment and engagement should be ongoing and closely aligned. The AHBRWG proposes the following Board actions in response to its learning and work.

Action 1:

The AHBRWG seeks approval of the enclosed board recruitment documents, deemed necessary minimum precursors to restart Kerr's board recruitment efforts. Once approved, they will allow Kerr to once again field inquiries from prospective Board Member candidates and conduct candidate outreach on a proactive basis – things we cannot do currently, without approved **Board Member Expectations** and an approved **Board Recruitment Process**. Once approved, the documents are intended to be living, evolving as needed with Board approval.

The documents for which the AHBRWG currently seeks Board approval include:

- Kerr Board Member **Expectations** (pages 4 + 5)
- Kerr Board Member **Recruitment Process** (page 6)
- Kerr Board Member **Recruitment Priorities** (pages 7 + 8)
- Kerr **Interim Recruitment Plan Draft** (pages 9 + 10)

If desired, these documents can be approved subject to agreed upon edits.

Action 2:

The AHBRWG proposes that a permanent standing board committee be created from a merger of the two, current Board-related Ad Hoc Working Groups created in November of 2020. The purpose of the new committee will be to oversee Kerr's Board Recruitment and Engagement efforts on a regular and ongoing basis. This action is proposed to ensure that Kerr continually strengthens, replenishes and expands the diversity of its Board. The new committee would be responsible for proposing goals regarding optimal Board size and composition as well as developing operating procedures designed to successfully recruit, engage and retain high potential Kerr Board Members. It is expected that initially, the new committee would meet approximately once each month to re-establish Kerr Board recruitment and engagement

processes and then less frequently once these processes are smoothly up and running. The committee would begin its work in June of 2021 as proposed in the enclosed **Interim Board Recruitment Plan DRAFT** which the BREC will have ownership of and the ability to edit and shape.

The new committee would include the following Board Members which currently comprise the Ad Hoc Working Groups:

From Ad Hoc Board Recruitment Working Group

Kim Curry
Lisa Powell
Heidi Steeves

From Ad Hoc Board Structure Working Group

Rod Malone
Jill Nickerson

While it is hoped that all above members of both Ad Hoc Working Groups will stay on to oversee the important work of the newly-formed BREC, participation is voluntary and additional Board Members interested to join are welcome.



Board Member Expectations – Proposed 2021

Albertina Kerr’s mission is to empower people with intellectual and developmental disabilities, mental health challenges, and other social barriers to lead self-determined lives and reach their full potential. It is our vision that all people thrive in nurturing and inclusive communities.

Kerr seeks qualified volunteers to actively serve as Board Members for a minimum of a three-year term. Ideal Board Members are individuals invested in the mission and success of Kerr and the people we serve.

The chief responsibilities of the Board of Directors include: always acting and making decisions in accordance with the highest ethical standards; setting organizational direction; ensuring that the resources required to operate and expand the organization are secured; and providing oversight in key areas. In addition, the Board is responsible for monitoring the organization’s annual and strategic direction and assessing the CEO’s performance, as well as participating in regular assessments of Board performance.

Responsibilities

A Board Member must be willing to actively participate and routinely share their skills, resources and talents with the organization to help it thrive and grow. Each individual Board Member is expected to fulfill responsibilities, to the best of their ability, including, but not limited to:

- Always put the needs of Kerr clients first
- Ensure that Kerr is governed effectively through active participation and thought leadership
- Demonstrate honesty, integrity, transparency, and positivity in personal and business interactions within and beyond Kerr
- Demonstrate thought leadership by asking the right questions, avoiding group think and challenging management if needed
- Set organizational direction in collaboration with Kerr’s CEO/staff
- Ensure that the financial and human resources required to operate are secured and well managed
- Provide oversight in key areas, as requested by Kerr’s CEO
- Support the growth of the organization and advance the mission of Kerr
- Engage personal connections, networks, and resources to benefit the organization and actively participate in Kerr’s fundraising activities, including contributing to fundraising efforts, hosting tables at fundraising events, and soliciting gifts from individuals and organizations.

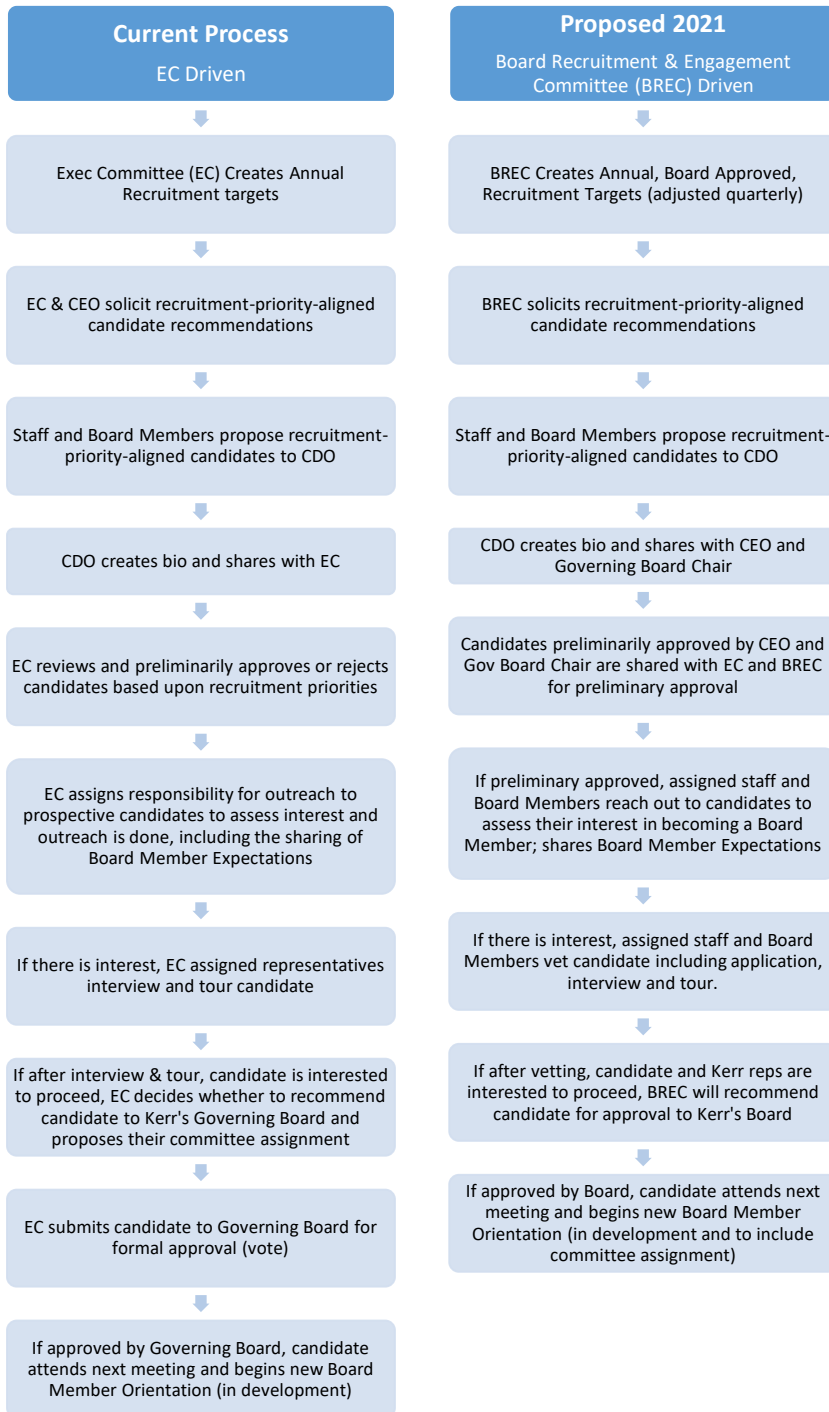
- Give a meaningful personal financial donation on an annual basis, making Kerr, at minimum, one of your top three philanthropic donations
- Attend, prepare for, and participate actively in the majority of board meetings and signature events in person or via phone as appropriate.
- Participate fully in at least one of the committees of the Board
- Read and understand the organization’s financial statements and actively participate in ensuring financial sustainability
- Understand and follow the organization’s bylaws, policies and board resolutions
- Disclose any/all potential and current conflicts of interest with the organization as soon as they become known
- Maintain confidentiality about internal matters of Kerr, as appropriate
- Be an educated and conversant ambassador for the organization
- Continually work to identify strong, potential Board Members for consideration, in alignment with current Board composition needs.

Board Member Name (Print)

Board Member Signature

Date

Kerr Board Recruitment Process



Commented [SC1]: 1. AP1 Allows for input in process beyond EC and facilitates greater focus on Board Recruitment Process

Commented [SC2R1]: 2. Allows for CEO and Governing Chair input

Commented [SC3R1]: 3. Allows for more uniform outreach

Commented [SC4R1]: 4. Allows for more uniform vetting

Commented [SC5R1]: 5. Committee Assignment recommended to be done as part of Board Orientation Process



Priorities for Board Member Recruitment – April 2021

- Individuals passionate about Albertina Kerr’s work
- Individuals willing and able to fulfill Kerr Board Member Expectations
- Individuals who act and make decisions in accordance with the highest ethical standards
- Individuals who increase the multi-cultural and general diversity of Kerr’s Board
- Individuals who represent the perspective of Kerr clients (e.g. clients and client family members)
- Individuals with functional expertise needed to fulfill Kerr goals as identified in the attached **Matrix of Desired Board Member Qualifications**
- Innovators who can help Kerr to better meet its strategic objectives
- Business owners and leaders who can help Kerr to access new networks and resources
- Senior corporate executives who can help Kerr to access new networks and resources (Kerr’s Ad Hoc Board Recruitment Committee will develop a list of priority corporations and industry sectors)
- Social connectors and influencers who can help Kerr to access new networks and resources

Albertina Kerr Matrix of Desired Board Member Qualifications

Industry/Licensure/ Experience	Clients & Family Reps for Kerr	C Suite Execs from <i>Aligned</i> Corps	IDDD/ Behavior Health/ Mental Health	Social & Community Connectors	Entrepreneurs & Innovators	DEI	Skills Expertise	Business Strategy (e.g. Real Estate Dvlpt, M&A et al)	Legal (e.g. Estate Planning & Special Needs)	Financial (e.g. Accounting, Wealth Advisor, Insurance)	Mktg & PR (Creative)	Infrastructure Services (e.g. HR, IT, Risk Management, Facilities)	DEI
Governing Board of Directors													
Name													
Board Member 1			1										
Board Member 2		1	1					1					1
Board Member 3									1				
Board Member 4						1						1	
Board Member 5					1			1					
Board Member 6													1
Board Member 7			1						1				
Board Member 8								1					
Board Member 9		1									1		
Board Member 10									1		1		
Board Member 11											1		
Board Member 12		1									1		
Board Member 13			1										1
Board Member 14											1		
Board Member 15											1		
Board Member 16		1			1								1
Board Member 17													1
Board Member 18		1			1								
		5	4	0	3	1	0	0	4	2	6	1	5
Foundation Board of Trustees													
Name													
Trustee 1					1								
Trustee 2											1		
Trustee 3					1						1		
Trustee 4								1					
Trustee 5											1		
		0	0	0	2	0	0	0	1	0	3	0	0

Albertina Kerr – Interim Board Recruitment Plan – DRAFT

The following steps and timeline are proposed to revive Kerr’s Board Recruitment efforts after a period of dormancy. Major milestones are intended to flow and be supplemented by Board action at board meetings as noted throughout. It is recommended that a “permanent” standing Board Recruitment & Engagement Committee be created and a Board Recruitment and Engagement/Update be added as a regular board meeting agenda item, indefinitely, to maximize the strength and diversity of Kerr’s Board leadership moving forward.

Action	Owners	Completed by
Share/obtain input on Board Recruitment/Expectations documents from Kerr Board	Ad Hoc Board Recruitment Committee (AHBRC)	April 26 2021 (BOD Meeting)
Finalize Board Recruitment/Expectations documents with Board Member input ⁱ	AHBRC	May 18 2021
Merge Ad Hoc Board Recruitment and Structure Working Groups into a single, “permanent” Board Recruitment and Engagement Committee (BREC)	AHBRC, Kerr Board	April 26 th 2021 (BOD Meeting)
Gather recommendations for prospective candidates from Kerr Board, staff & Donors – Initial Pool/Request	AHBRC	April 26 -May 30 2021 & ongoing
BREC inaugural meeting to formalize goals ¹ and work plan of committee and to review initial list of Board candidates recommended by Kerr Board and Staff	BREC	June 2021
Review/Prioritize candidates for outreach	BREC	June 2021
Confirm outreach plan for each candidate to be pursued	BREC, +Assigned Board Members+ Staff	June 2021
Share prioritized prospects with Kerr Board	BREC	June 2021 (BOD Meeting)
Outreach to prioritized candidates begins	BREC + Assigned Board Members + Staff	July 2021
Vetting of prospective candidates	BREC + Assigned Board Members + Staff	July – August 2021

¹ Near term goals to include: 1) Committee Charter 2) Board Self-Assessment 3) Board Application 4) Board Orientation Process

Approval/Acceptance of Round 1 Candidates	Kerr Board	September 2021 (BOD Meetings)
Board Member On Boarding Process begins	BREC + Assigned Board Members and + Staff	September 2021 (BOD Meetings)

ⁱ These are living documents and not intended to be cast in stone but rather evolve as needed.

ALBERTINA
KERR EDLEN & CO.

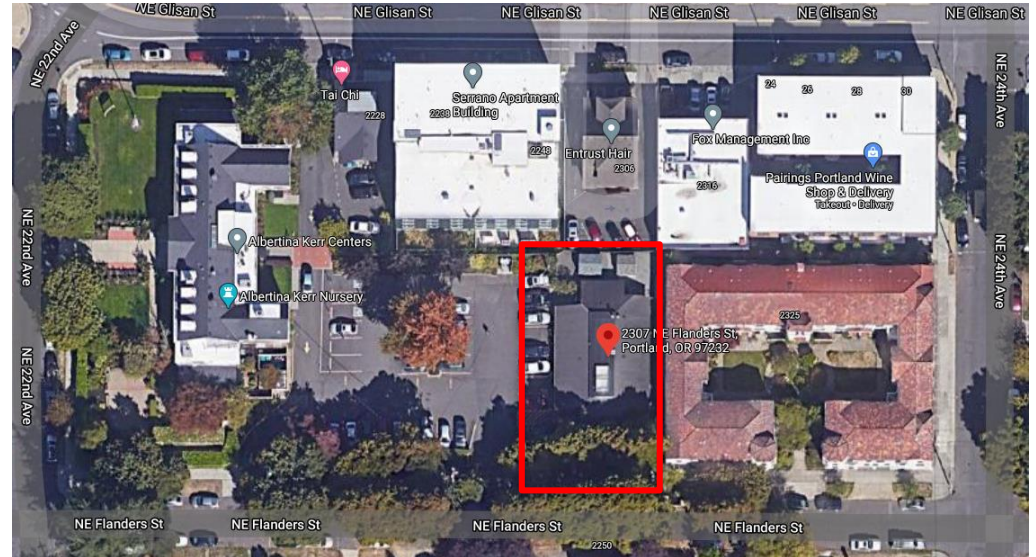
**ALBERTINA KERR
HEADQUARTERS**

**AFFORDABLE HOUSING
OPPORTUNITY**

SITE OVERVIEW

SITE OVERVIEW

2307 NE FLANDERS ST.



- Located across from Kerr Administrative Offices; site was home to Albertina's Closet

PROJECT PROPOSAL OVERVIEW

PROJECT PROPOSAL OVERVIEW

CONCEPT DESIGN

20 Units Affordable Housing:

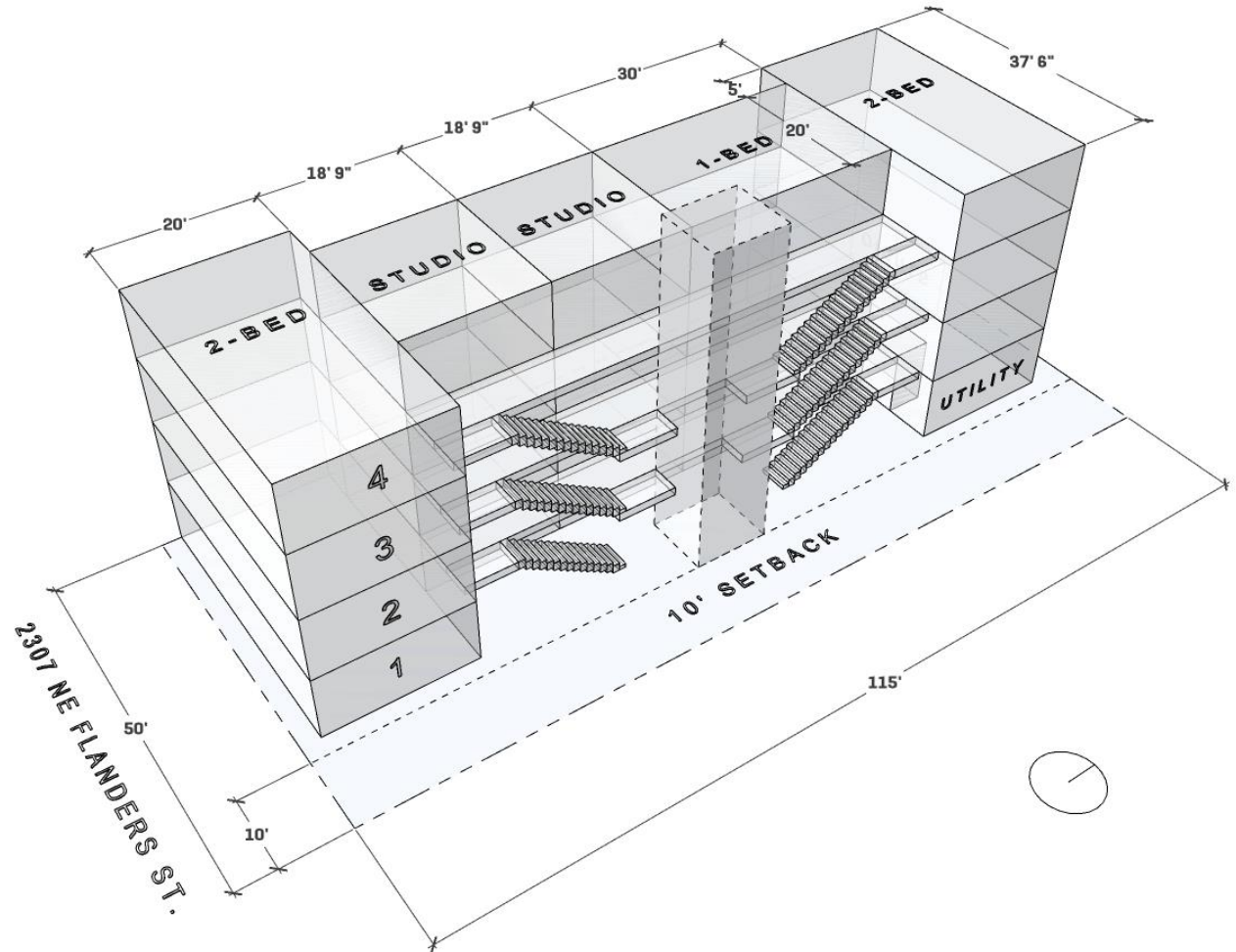
4-story building

(6) 2-bedrooms

(4) 1-bedrooms

(10) Studios

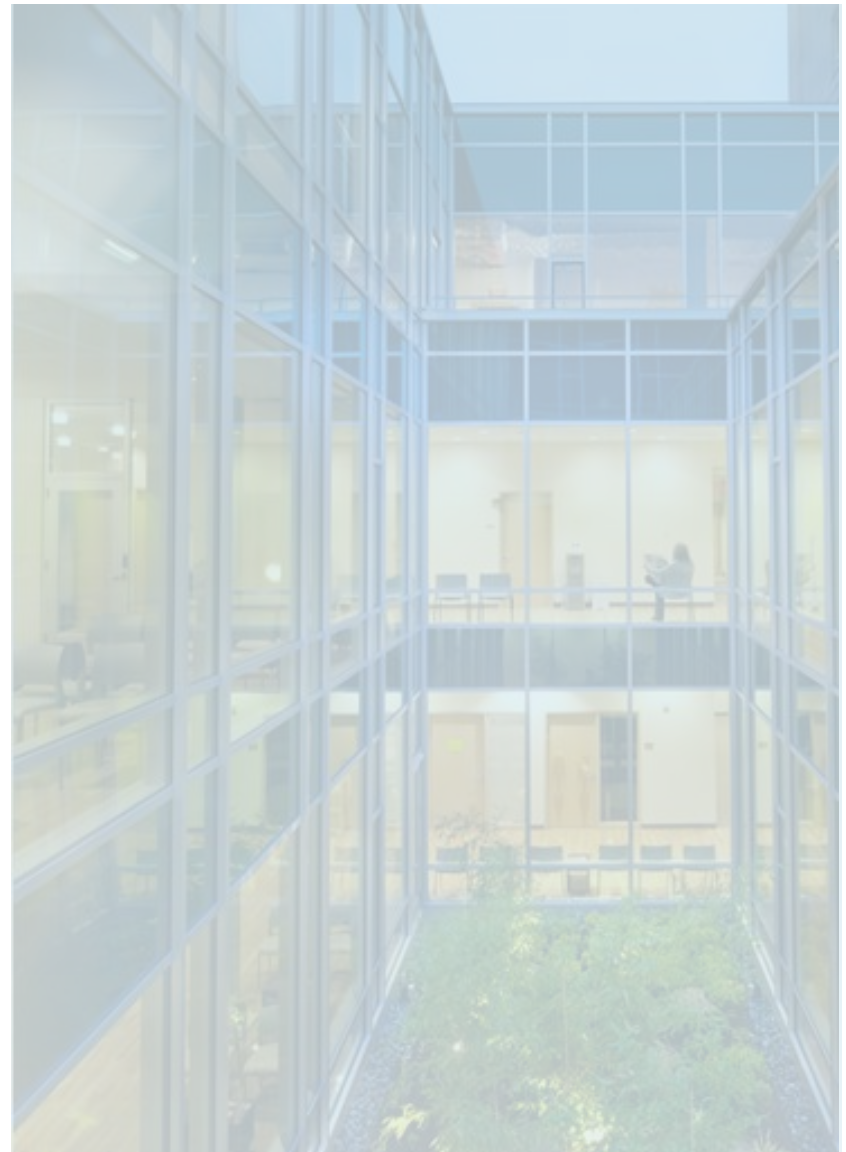
Approximately 11,025 square feet



PROJECT PROPOSAL OVERVIEW

PROJECT PARTNERSHIPS- THE BUNDLE

- “Bundle” properties that would otherwise have too few units to take advantage of federal tax credits
- Four sites across Portland for Affordable Housing New Construction
 - Community of Hope (N-St. Johns)
 - Trinity Lutheran (NE-Cully)
 - West Portland United Methodist (SW-Ashcreek)
 - Albertina Kerr Headquarters (NE-Kerns)



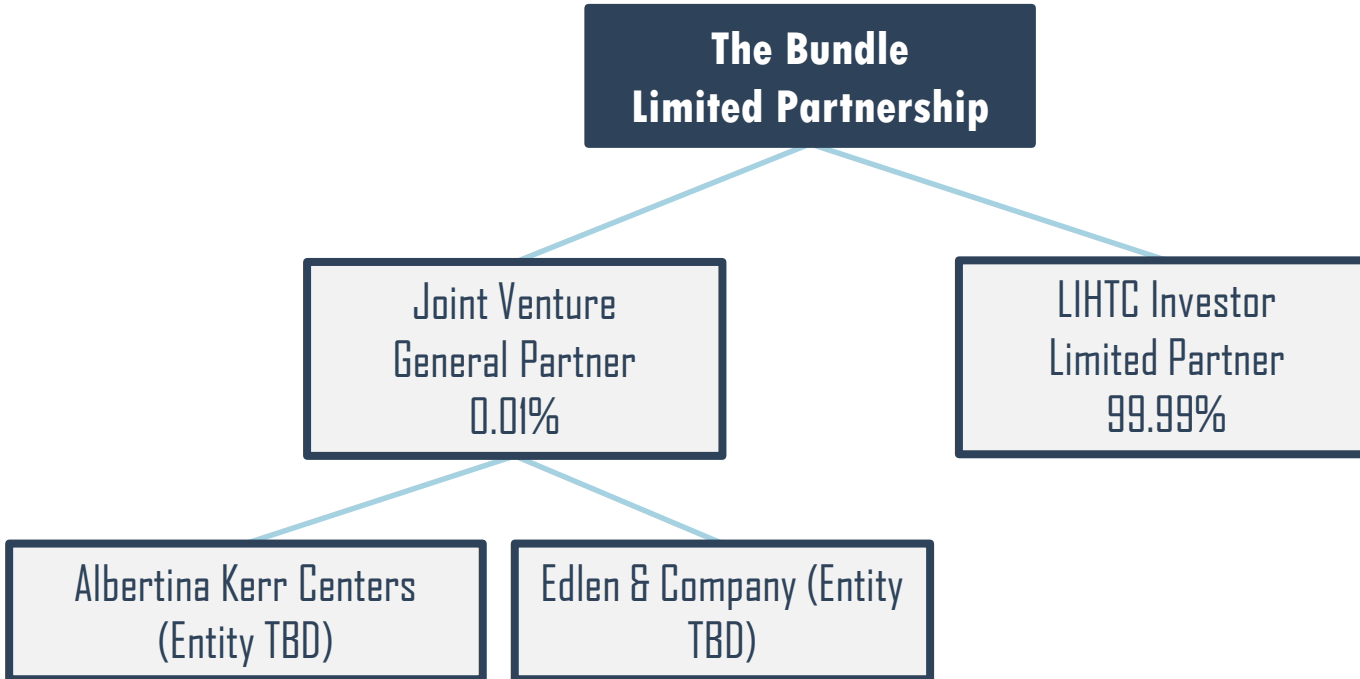
PROJECT PROPOSAL OVERVIEW

PROJECT PARTNERSHIPS- THE BUNDLE



PROJECT PROPOSAL OVERVIEW

JOINT VENTURE WITH EDLEN & CO.



- General Partner of the Limited Partnership to be a Joint Venture between Kerr and Edlen & Co.

PROJECT PROPOSAL OVERVIEW

GRESHAM VS. HEADQUARTERS - DEAL DIFFERENCES

	Gresham	Headquarters
Cash Flow	100% to GP (Kerr)	50% split with PHB after deferred fee is paid
Construction Savings Split	None	Approx. 75% to PHB
SDC Waivers	None	100%
Property Tax Exemption	Partial exemption	Full exemption
Predevelopment Costs	Kerr funded at its risk	No funds spent until Metro Bond award; potential PHB loan
Kerr Land	100% contributed to project	Kerr receives 80% of market value
Kerr Fundraising	\$1.26M	\$0 assumed



PRELIMINARY PROFORMA ASSUMPTIONS

PRELIMINARY PROFORMA ASSUMPTIONS

UNIT MIX AND RENTS

UNIT MIX:

Unit Type	30% AMI	60% AMI	Total
Studio	0	10	10
1-Bedroom	4	0	4
2-Bedroom	0	6	6
Total	4	16	20

RENTS:

Unit Type	30% AMI Rent	60% AMI Rent
Studio	\$484	\$967
1-Bedroom	\$518	\$1,036
2-Bedroom	\$622	\$1,243

ASSUMPTIONS:

- 20 units
- 20% of total units at 30% AMI
 - Designated for those with I/DD
- 80% of total units at 60% AMI
 - Advance marketing to direct service providers
- Potential to include additional I/DD units at Trinity Lutheran and West Portland United Methodist
 - Approximately 14 units (assuming 20% of total)

PRELIMINARY PROFORMA ASSUMPTIONS

SOURCES AND USES- WITHOUT 811 VOUCHERS

USES:

Land	\$560,000
Hard Costs	\$4,414,000
Soft Costs	\$1,424,000
Financing Costs	\$654,000
Contingency	\$302,000
Deferred Fee	\$400,000
Total Uses	\$7,523,000

SOURCES:

LIHTC Equity	\$2,956,000
SDC Waivers	\$360,000
Gap Funds Required	\$2,480,000
Deferred Fee	\$400,000
Permanent Loan	\$1,327,000
Total Sources	\$7,523,000

- Hard costs include premium for accessible units and Net Zero
- Gap funding = \$124k per unit



PRELIMINARY PROFORMA ASSUMPTIONS

SOURCES AND USES- WITH 811 VOUCHERS

USES:

Land	\$560,000
Hard Costs	\$4,402,000
Soft Costs	\$1,451,000
Financing Costs	\$691,000
Contingency	\$302,000
Deferred Fee	\$440,000
Total Uses	\$7,795,000

SOURCES:

LIHTC Equity	\$3,075,000
SDC Waivers	\$360,000
Gap Funds Required	\$2,387,000
Deferred Fee	\$440,000
Permanent Loan	\$1,533,000
Total Sources	\$7,795,000

- Hard costs include premium for accessible units, Net Zero, and Davis Bacon wages (HUD 811)
- Gap funding = \$119k per unit

