

**Central Florida Community Action Agency (CFCAA), Inc.**

**Monthly Meeting of the Board of Directors**

401 NW 6th Street  
Gainesville, FL 32601  
**January 26, 2016**

**Members Present:** Lena Smith (Vice Chair), Monica Bryant (Treasurer) via telephone, Marlon Gayle (Secretary), Alena Lawson, Caronne Rush, Carl "Dick" Tummond, and Eddie Jean Williams.

**Staff Present:** Charles J. Harris, Jr. (Chief Executive Officer), Amy Tyson (Chief Financial Officer), Stacy Swartout, Casey Birmingham, Dori Faust (Recorder), Monique Harrison, and Tiffany McKenzie

**Absent (Excused):** Brad Nimmo (Health issues) (Chair) and Randall Cantrell

**I. Call to Order**

The meeting was called to order by Ms. Smith at 10:02 a.m. A quorum was present.

**II. Invocation**

Ms. Lawson delivered the invocation.

**III. Pledge of Allegiance to the Flag of the United States of America**

The company recited the Pledge of Allegiance.

**IV. Notice and Welcome**

**A. Welcome**

Ms. Smith welcomed those in attendance.

**B. Statement of Notice**

Ms. Smith stated that the January 26, 2016 meeting of CFCAA Board of Directors has been properly noticed in accordance with Community Services Block Grant (CSBG) guidelines.

**C. The Promise of Community Action**

The company recited *The Promise of Community Action*.

**D. Members of the Public Shall Be Given an Opportunity to Speak for a Maximum of Three (3) Minutes during the Meeting on any Agenda Item Requiring Board Action.**

N/A

**V. Motion Re Agenda**

Mr. Harris requested the following changes to the agenda:

Tabling Item VI B and item VII C.

Add Item VI E; Corporate Resolution regarding signature authority for the 2016-2017 LIHEAP contract.

After discussion, the board decided to also table Item VI E, since Mr. Nimmo was not available to sign the resolution because of medical issues.

**Motion made by Ms. Bryant and seconded by Ms. Lawson to formally approve the proposed agenda, with the proposed changes, for the January 26, 2016 board meeting. Motion unanimously approved. Motion carried.**

**VI. Agenda items for approval:**

**A. Motion Re: Fiscal Year 2014-15 Financial Audit presentation, Hilton Galloway, CRI Accounting Firm**

The September 30, 2015 audited financial statements were presented by Hilton Galloway from Carr, Riggs & Ingram.

He noted that both revenues and expenses were less than in the 2014 audited statements. He asked if it was a situation where the agency is returning money to the state at the end of the grant periods. Mr. Galloway expressed concern that the funding will disappear if that is the case. Ms. Tyson reassured him that all funds were spent and none had been returned. The reduction in revenue and expenses reflected changes in grant funding amounts.

Mr. Galloway also indicated that the percentage of annual expenses used for administrative costs has risen from 8.4% to 9.6%. He cautioned that this should not become a trend but the agency was within acceptable ranges for administration.

There is one finding this year related to compliance with cash management/reporting. There were no material weaknesses or significant deficiencies related to internal controls over financial reporting or major programs.

Mr. Galloway also spoke about the agency's Information Technology, stating the size of the Agency's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties.

The auditors recommended that the agency formalize their IT policies to address the items noted above as well as limit access to the server room and software systems by increasing security to these areas. Server room access should be adequately secured and access limited as to prevent tampering from outside sources.

Mr. Galloway also discussed the potential threat of outside penetration to extract the agency's sensitive information for fraudulent purposes. Mr. Galloway strongly recommended considering having a penetration test done to find out how protected is the agency's sensitive information. He said that the cost, if the agency is penetrated and agency's sensitive information is extracted and put on the open market, far exceeds the cost of a penetration test.

There were seven audit related adjusting journal entries this fiscal year, a significant reduction from last year when there were more than 30. There were four recommendations for minor items to fine tune internal controls.

Mr. Galloway noted that this year is a marked improvement over last year in the clarity and accuracy of the financial picture.

**Motion made by Ms. Williams and seconded by Ms. Bryant to formally approve the Fiscal Year 2014-15 Financial Audit. Motion unanimously approved. Motion carried**

**B. Motion Re: Approval of the Financial Policies and Procedures Manual**

This item was tabled until the Finance and Audit Committee can meet to review the revised Financial Policies and Procedures Manual.

**C. Motion Re: December 15 Board of Directors meeting minutes.**

**Motion made by Ms. Lawson and seconded by Mr. Tummond to formally approve the written minutes for the monthly board meeting held on December 15, 2015. Motion unanimously approved. Motion carried.**

**D. Motion Re: January 21<sup>st</sup> Development and Program Planning Committee meeting minutes**

Ms. Smith stated that Ms. Bryant chaired the meeting in her absence.

The committee recommended that this year's major fundraising event be a luncheon (11:30am to 1pm) in Ocala. Ms. Bryant has secured a location; the Marion County Sheriff Office Multipurpose Facility on June 16<sup>th</sup>, from 8 a.m. to 3 p.m. Ms. Bryant was able to secure the space at no charge. The facility will accommodate 200 people and has adequate parking.

Ms. Smith recommended to the board to move forward with sending "Save the Date" notices and sponsor packets out into the community as soon as possible. The next committee meeting will discuss speakers and soliciting quotes from caterers.

**Motion made by Ms. Rush and seconded by Mr. Tummond to formally approve the written minutes for the January 21st Development and Program Planning Committee meeting minutes. Motion unanimously approved. Motion carried.**

**E. Corporation Resolution for signature authority**

This was tabled. Mr. Nimmo, the Board Chair, is unavailable to sign the corporation resolution due to health issues.

Ms. Harrison stated she had asked DEO how to handle the LIHEAP package without a new resolution. She received a response recommending Mr. Harris sign the new contract, since the board has already approved signature authority for him.

**VII. Agenda items for discussion:**

**A. Update CFCAA Strategic Plan fundraising goals**

Mr. Harris provided details of the proposed revisions to the Strategic Plan fundraising goals. He requested the board review the document closely and be prepared to review again at the March meeting.

**B. Discuss and review CEO Succession Plan**

Mr. Harris discussed the Executive Succession Planning Guide that he distributed to board members and is based on a template from CALAW. He recommended the Board review the guide for discussion at the February meeting. The guide suggests creating a task force that includes the CEO, COO, Board Chair and the Nominating and Personnel committee chair to develop Emergency Backup Plans for long term and temporary planned or unplanned absences.

**C. Final review of the Board of Directors manual**

This was tabled. The Nominating and Personnel Committee will meet to continue discussing the concept of a flexible liquid manual.

**D. Additional board training**

Mr. Harris asked the board to consider additional training to be facilitated by someone like John Edwards, who has worked with Board in the past. The purpose is to do an overall training for new and current board members, which includes board responsibilities and the new organizational standards.

Mr. Harris provided details of a Board and Director Assessment document from CAPLAW that will be sent to the Board. This document gives the board a chance to assess themselves on their governance, financial management, and administrative functions. The assessment document will be revisited at the March meeting.

**VIII. Program Reports**

**A. CSBG service report for December 2015 - Submitted by Monique Harrison, Director of Family Services**

13 contracted clients are enrolled in the Family Self Sufficiency Program (FSSP). All participants are on track with their existing educational goals (nursing, barber training, cosmetology, dental training)

The following outcomes were recorded in December:

- 1 FSSP participant has obtained an increase in employment income.
- 1 FSSP participant has maintained employment in excess of 90 days.
- 1 non-contracted client has completed an AA degree.
- 1 non-contracted client has completed midwife training.
- 1 non-contracted client has obtained an increase in employment income.
- 2 non-contracted clients have maintained employment in excess of 90 days.

The following services were provided in December:

- 9 clients received assistance with costs related to acquiring skills or credentials
- 1 person was assisted with costs related to post-secondary education
- 15 persons person received rental assistance
- 5 persons received transportation assistance (insurance and repairs) to maintain employment.

Ms. Smith shared a success story with the board. She spoke about a FSSP client who has successfully passed his state boards to be a licensed barber. He has acquired a space in a barber shop to begin working in the very near future.

**B. LIHEAP report for December 2015 - Submitted by Stacy Swartout, Office Manager**

Total number of LIHEAP clients served: 270

County breakdown based on level of funding per county:

Alachua = 98

Marion County = 150

Levy County = 22

The number of clients served includes outreach sites.

**C. Weatherization report for December 2015 - Submitted by Steve Kay, Director of Housing Initiative**

The Weatherization department is working to implement all of the Federal mandated changes for the 2015 contract year.

To date CFCAA has Weatherized 34 homes for the 2015 contract year.

Effective, December 18, 2015, DEO noted to the state weatherization agencies that weatherization of manufactured homes may resume immediately. The state plan and priority lists (single-family and manufactured homes) for WAP has been granted full approval by the Department of Energy.

DEO has informed CFCAA that the annual monitoring visit scheduled for the week of 1/11-15/16 has been postponed.

CFCAA received final approval for the mid-grant modification to the 2015 WX contract. The new grant total is: \$662,954.00. With that we will weatherize 76 homes. This is an increase of \$92,104.00, so 10 more homes will be weatherized.

CFCAA received a verbal notice during a conference call on 12/9/15, that all WAP agencies will be receiving a contract extension for their 2015 agreement. The state is expecting the 2016 agreements to be delayed until April 1, 2016.

The Weatherization Department has completed lead paint testing on six homes for the Levy County SHIP Program.

**IX. Chief Executive Officer Report – Charles J. Harris, Jr.**

Mr. Harris provided a summary of the Community Action Partnership 2016 Management and Leadership Training Conference; January 6-8, 2016, in New Orleans, LA

The 2016 theme was “Leading with Resilience – The Community Action Way.”

Opening remarks were from Denise Harlow, CEO, Community Action Partnership. She stated the following: CSBG funding will experience an increase FY 16-17. Attendees were reminded that nationally, LIHEAP funding is expected to stay flat and a reminder that LIHEAP is funded at 18% of total need and obviously not

enough to meet the need nationally or locally. Attendees were also told that there should be an overall increase in WX but a slight decrease in warm weather states, including Florida.

Dr. Lester Salamon was the featured speaker and spoke about his new book "The Resilient Sector Revisited: The New Challenge to Nonprofit America" (Mr. Harris purchased a copy of the book if board members wish to review)

Nonprofits nationally receive revenue from the following resources and percentages:

Fees 55.8% Gov't grants 34.8% Philanthropy 9.4 %

In 2007, private giving as a percentage of total revenue for service oriented nonprofits was 10% and the trend is holding. Bottom line: nonprofits will need to do more "commercialism" to survive with charitable gifts/donations making up 10-20 % of revenue, grants 30% and fees for services 50 % (Social Enterprise and Community Economic Development initiatives)

**Session "Dynamic Duo Enhancing Board and ED relationship and Performance"** This was a case study presentation that focused on what not to do and the importance of the board managing the CEO and not managing staff. There was also a discussion about the need for board members to undergo continual training in order to stay updated on constant changes. Presenter referenced new publication with same as workshop title.

**Session "Organization – wide Strategic Planning"** Discussed need for commitment from senior leadership, clarity of roles, SWOT analysis, and commitment to allocate sufficient resources. Recommended S.P. be revised every three years instead of typical five. Staff can play an important role with creating the S.P. since they are on the front line and can provide important feedback. Agencies need to be aware of "Cost per customer" as they develop new programs that add value rather than drain funds.

**Session "Community Economic Development in Community Action: Results From Field Research"** Results from CAP survey of economic development projects by community action agencies around the country. Goal of survey was to find successful strategies to encourage Community Economic development.

Success depends on:

1. Having capital (unrestricted funds and human capital)
2. Willingness to take risk; don't be afraid to fail
3. Valid needs assessment that help determine areas of greatest need
4. Community engagement and the development of partnerships
5. Board commitment
6. CED activities should be driven by agency's mission and values

**Session "Advocacy: Community Action's Voice for Community Change"**

CAP CEO Denise Harlow presented this session. She discussed the need for CAA's to advocate on behalf of low income citizens by the use of social media, and contacting local, state and federal legislators. The majority of the time was used to promote the National Community Action Foundation (NCAF) upcoming conference March 15-18 in Washington DC.

Starting with his February report, He will include all of the community events, activities and meetings attended on behalf of the agency so the board will be better informed about his community engagement efforts.

Mr. Harris stated he is in contact with Rodney Long, President of the MLK Jr. Commission in Gainesville about co-sponsorship opportunities during next year's Martin Luther King Celebration to help get our name out in the community.

Big Brothers and Big Sisters of Mid-Florida closed just before Christmas due to funding issues. The Jacksonville Chapter is looking at taking over the Mid-Florida chapter to keep Big Brothers and Big Sisters in our area. We have communicated with the national office about our interest in co-sponsoring some activities.

A letter of intent has been submitted to United Way of North Central Florida to apply for a grant to strengthen our Family Self Sufficiency Program in Alachua and Levy counties. The goal is to work with families to assist with childcare, job prep, and financial literacy. Based on the letter of intent, UWNCF will send out grant applications, if our letter of intent is approved, UWNCF will allow us to submit a grant application.

Mr. Harris will be attending a NeighborWorks training in Atlanta, February 22-26, 2016. Since he is Board member for the local NeighborWorks organization, they will cover all travel expenses.

Mr. Harris has been in discussion with the local NeighborWorks organization about pursuing a potential merger. The plan is to contract with a merger consultant to perform a feasibility study. A merger will allow us to diversify our programs and bring in an element that aligns with our goals.

Mr. Cantrell will be stepping down as a board member at the February 23<sup>rd</sup> board meeting. The Board Chair and CEO will be contacting UF about a replacement, preferably someone from UF Law School. Ms. Smith recommended Ms. Meshon Rawls.

Mr. Harris suggested the board discuss expanding the board by adding representatives from Career Resource Offices that cover Alachua, Levy, and Marion Counties and a banker.

January 21<sup>st</sup>, 2016, is the FACA sponsored Legislative Day.

Mr. Harris stated he has discussed with staff, sponsoring a Legislative Open House in May, Community Action Month. The Open House will be for our federal, state, and local legislatives to inform them about our services and impact in the communities we serve.

He also stated that at the March meeting, he will discuss some proposed changes to the current organizational that will identify staff to focus on Economic Development initiatives and IT.

**X. Board Chair Report – Ms. Smith, Vice Chair**

Ms. Smith stated that Mr. Harris' annual performance evaluation will not be discussed at this time and the executive committee will convene to discuss.

**XI. Next Meeting – February 23<sup>rd</sup>, 2016  
Haven Hospice Conference Room, 311 NE 9<sup>th</sup> Street, Chiefland, FL**

**XII. Comments from the Floor & Announcements**

Ms. Swartout will be having surgery on February 15 and will be out of the office from four to six weeks. At this time a backup plan is being processed and will be in place during her absence. The staff will keep the Board updated.

Ms. Tyson and Ms. McKenzie will be representing the staff at the February 23<sup>rd</sup> board meeting.

**XIII. Adjournment**

**Motion made by Mr. Gayle and seconded by Ms. Williams to adjourn the meeting. Motion unanimously approved. Motion carried.**

**Meeting was adjourned at 11:35am**

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**These minutes were approved at the February 23, 2016, regular scheduled board meeting.**

  
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Marlon Gayle, Secretary

February 23, 2016  
Date