Panhandle Community Services Board of Directors' Meeting Minutes Panhandle Community Services Central Office – 1309 SW 8th Ave. - Amarillo TX, 79101 Minutes for September 15, 2022 @ 10:00am

Board Members by Sector:

Low Income		<u>Private</u>		<u>Public</u>	
Lydia Villanueva	P	Denese Skinner	P	Judge Cindy Irwin	P
Amy Taylor	P	Jo Anne Cook	P	Judge Rowdy Rhoades	Р
Robert Coffee	Р	Aaron Lopez	P	Judge Dan Looten	P
Amanda Quillin	P	John Sharp	P	Comm. Kirk Frye	Α
Audriana Vandiver	Α	Open Seat		Judge Chris Porter	Α

Staff	Position/Title
Magi York	Executive Director
Robert Carlton	Chief Financial Officer
John Mejia	Asst. Director of Finance
Dennis Garvey	Information Services Director
Randy Cazarez	Human Resources Director
Lylene Springer	Transportation Director
Kaitlin Mosley	RSVP & Health Services Director
Christy Hilbert	Communications Director
Christina Cristan	Energy Assistance Director
Audra Rea	Family Development Director
Susie Ybarra	Housing Choice Voucher Program Director
Melissa Darsey	Outreach Services Program Director
Lisa Matthysse	Executive Administrative Assistant

Guest

Roxann Ball

NOTICE – This meeting was publicized in compliance with the state open meetings law, as documented in Appendix A to these minutes. Appendix A also includes a list of the documents provided to members with the meeting notice and agenda.

Call to Order

Judge Cindy Irwin, President, called the regular business meeting to order at 10:05 a.m. central daylight time (Organizational Standard 2.4) and announced the Initial Public Comment Period. Lisa Matthysse, Executive Assistant, called roll and determined that a quorum of directors was present (OS 5.5). Judge Irwin led the Pledge of Allegiance and the recital of the Panhandle Community Services (PCS) mission statement and vision statement. Magi York, Executive Director, led the prayer.

Consent Agenda

Judge Irwin asked for a motion to approve the consent agenda. (The consent agenda and all reports associated with it were included in the Board Packet. Reports included minutes from the August 18, 2022 Board of Directors Meeting, Audit and Finance Committee Meeting, Resource Development Committee Meeting, and Programs Committee Meeting, and minutes from the July 25, 2022 Governance Committee Meeting, the 'Three Things for

the Board to Know" program highlight report (OS 5.9) (PTE 1.3), a list of items signed by the Executive Director for ratification by the Board, and a list of grants submitted/received.)

Motion: To approve the consent agenda.

Moved By: Lydia Villanueva Second: Robert Coffee

Vote: Motion carried by voice vote

<u>Board Training: Clarifying Non-Profit Board and Staff Roles</u> (OS 5.8) (PTE 1.1; 1.3) (20-minute Board Training Session)

Roxann Ball, Amarillo Area Foundation Nonprofit Center, gave a presentation on "Clarifying Non-Profit Board and Staff Roles." (Training materials and a PowerPoint of the presentation were emailed to Board members.) Ms. Ball stated that, in terms of basic roles, the Board is responsible for governance and staff are responsible for management and administration. She said that clear communication is the best way to determine if a role falls under governance or management. Ms. Ball recommended reading *In the Trenches: The Invisible Yellow Line* by Jean Block. She also recommended that the Executive Director and the Board President meet annually to establish roles for the Board and staff. Ms. Ball reviewed two common issues in establishing roles:

- Board Micro-managing; and,
- Inappropriate Staff Communications.

Community Action Plan (OS 4.4; OS 9.3)

Audra Rea, Family Development Director, reviewed our progress on the 2022 Community Action Plan (CAP). The presentation included a comparison of 2022 and 2023 goals and our current numbers for National Performance Indicators (FNPI) and Services. (Copies of the CAP presentation were emailed to the Board prior to the meeting.) Ms. Rea said that she and her staff received training on the Monthly Performance Report and learned that we had been reporting some data incorrectly. She also stated that all programs should be reporting NPIs, not just Family Development. Ms. Rea stated that she would like to revise her 2022 goals as follows:

- Employment: To reduce the 2022 target numbers The goals were based on being fully staffed, but we were without a career coach for much of year. Also, the use of the MPI calculator to calculate the living wage resulted in a higher living wage calculation than our old method.
- Education: To cut in half the 2022 target numbers for the last three goals under Education We are in a stage of rebuilding after COVID and we had no graduates in May, though we should have some in December.
- Income and Assets: To reduce some of the target numbers to zero Most of the numbers in this category
 represent clients from the Earned Income Tax Credit (EITC) program. Due to the seasonal nature of tax
 preparation and because the EITC program did not have a way to track NPIs with our old client tracking
 software, the program's director, Melissa Darsey, asked that some of these target numbers be reduced to
 zero.
- Housing: No change in target numbers The 2022 target numbers take into account our HUD Vouchers, but the data from our Housing Choice Voucher (HCV) program will not be reported until the end of the year. The actual numbers on the report are only for the Emergency Solutions Grant (ESG). Once the HCV program data is reported, we should reach our target numbers.
- Health: To remove FNPI5b We do not operate programs for this performance indicator. Ms. Rea stated
 that the numbers under the Health category are from the Retired and Senior Volunteer Program (RSVP),
 but noted that Family Development did use discretionary funds for Dental Services, and they were
 reported in the Services columns.
- Support Services: No change in target numbers Actual numbers will be updated at the end of the year when we get the HCV and EITC data and we should be able to meet the target numbers in the category.

 Ms. Rea noted that the referrals section was blank. She said there was no way to track referrals using our

previous client tracking software and she needs more information before she can provide an estimate on referrals.

Board members asked questions and discussed the Income and Assets goals and the effect of inflation on our clients' ability to save money and improve their financial situation. The Board asked that the 2022 targets not be reduced to zero.

The Board also discussed procedures regarding volunteer stations and how volunteer hours are reported. Board and staff discussed advocating for PCS and methods for verifying the data in our reports. Ms. Rea stated that we have back-up documentation for all of our services, including services for clients who remain anonymous, such as at food banks and hygiene closets.

Ms. Rea stated that she would adjust targets as requested and would look into our procedures for helping clients apply for assistance through the Community Partner Program with Texas Health and Human Services. Ms. Rea asked that the Board approve the changes to the 2022 Community Action Plan.

Motion:

To approve the changes to the 2022 Community Action Plan.

Judge Rowdy Rhoades

Second: Lydia Villanueva

Moved By: Vote: Judge Rowdy Rhoades

Motion carried by voice vote

Client Satisfaction Survey (OS 1.3)

Christy Hilbert, Communications Director, presented an analysis of the Client Satisfaction Survey that ran from February 15, 2022 to August 30, 2022 (survey examples and results were included in the packet). Ms. Hilbert said that the responses showed increased satisfaction from last year. Clients said that our staff was our greatest asset. Our goal was to get 300 responses and we received 317 across the counties. The majority of the surveys came from housing and utility assistance, and demographics reflected those of the clients we are seeing. Suggestions for improvement included minimizing paperwork, more resources for handicapped individuals, and home repairs such as windows and roofs. The unmet needs reported by clients included livable housing, home repairs, and jobs, especially for those with a disability. Ms. Hilbert reported on the progress of the previous survey's action items and said a plan of action to address the needs reported in the current survey would be developed and brought back to the Board.

Motion:

To accept the Client Satisfaction Survey.

Moved By:

Judge Dan Looten

Second: Amy Taylor

Vote:

Motion carried by voice vote

Nominating Committee (OS 1.1, OS 5.1)

Judge Irwin reviewed Article V. Section B. of the PCS Board Bylaws regarding the *Election and Term of Office* of Board officers. As Board President, Judge Irwin appointed a nominating committee to carry out the nominating procedures for next year's officers. Judge Irwin named Amanda Quillin, Low-Income Sector Representative from Region 2, as the Chair of the committee, and Aaron Lopez, Private Sector Representative from Region 4, and Judge Chris Porter, Public Sector Representative from Region 4, as the other two members of the committee. Judge Irwin asked that the Board approve the purpose and tenure of the Nominating Committee and the appointed members.

Motion:

To approve the purpose and tenure of the Nominating Committee and the appointed

members.

Moved By:

Judge Rowdy Rhoades

Second: John Sharp

Vote:

Motion carried by voice vote

Executive Committee Meeting

Judge Irwin reported on the September 7, 2022 Executive Committee Meeting. (The minutes of the meeting and the revised section of the HCV Administrative Plan were included in the packet.) Judge Irwin said the Executive Committee approved adding targeted funds to the Housing Choice Voucher (HCV) Administrative Plan and setting aside vouchers for the new targeted funds. Approval of the changes was needed before we could submit the grant application for the HUD Rural Set-Aside. The application was submitted on September 10, 2022. Ms. Rea reviewed the purpose of the grant and the benefits of setting aside some of our HUD vouchers for Continuum of Care (CoC). Discussion followed.

Motion:

To ratify the decision by the Executive Committee.

Moved By:

Judge Dan Looten

Second: Judge Rowdy Rhoades

Vote:

Motion carried by voice vote

PCS 2021 Audit (OS 8.2, 8.3, 8.4, 8.6)

Judge Irwin introduced Neil Phillips, of Jarred, Gilmore and Phillips, PA, who had performed the annual audit of the agency. Mr. Phillips reported on the PCS 2021 Audit and IRS Form 990 (both emailed to Board members prior to the meeting). He reviewed the Independent Auditors Report and stated that the opinion, called an unmodified opinion, means that PCS' financial statements, based on the testing they did, are a materially accurate representation of how PCS ended the year and what happened during the year without any further modification being needed. Mr. Phillips said they followed auditing standards that are generally accepted in the United States, and, because PCS has federal money flowing through the agency, they also followed government auditing standards.

Mr. Phillips reported on the financial statements:

Statement of Financial Position (Balance Sheet) – In a non-profit, the balance sheet notes the financial strength of the agency. Mr. Phillips reviewed the balance sheet in detail. He noted our current and non-current assets and liabilities and explained how donor restrictions affect our current position. He also said that accounts receivable is money owed to PCS and noted that grants can take 30 to 60 days to pay us. Mr. Phillips stated that our unrestricted funds are down slightly from the previous year.

<u>Statement of Activities</u> – The statement shows that PCS had an increase in net assets of \$485,000. Mr. Phillips noted that capital assets can inflate the profit number when you are just looking at the Statement of Activities.

<u>Statement of Functional Expenses</u> – The total amount under program services is the money going towards meeting our mission. The statement shows that 91% of money spent goes toward our clients and only 9% goes toward management and fundraising. Mr. Phillips said this is the number to take with you when you talk about the agency.

<u>Statements of Cash Flows</u> – This statement shows what happened with our checking account. Mr. Phillips referred to cash flows from investing and said the \$1.4 million in capital assets that were purchased were capitalized on the balance sheet. He said that cash in the bank went up by \$34,000.

Notes to the Financial Statements – Mr. Phillips reviewed each of the notes on the "Notes to the Financial Statements" section of the audit. He said the notes help explain the financial statements. Under "Concentration of Credit Risk", he said that PCS has monies held at six banks which is a concentration of risk. Part of our monies are covered with FDIC insurance and part is covered with securities pledged, but at year end we did have \$4.1 million that was considered unsecured. Though the risk of a bank failing is minimal, Mr. Phillips said he is required to inform the Board of the risk. Mr. Phillips also noted under "Concentration of Risk" that we receive a substantial amount of our money from Federal and State grants, and the effect of losing these funding sources is unknown.

For example, if we lost our HUD funding, we would have to restructure our entire administration in order to continue.

Mr. Phillips referred to the "Supplementary Information" section of the audit and reported the following:

<u>Combining Schedule of Activities</u> – This report shows the revenue and expenses of PCS' programs. All numbers are for the fiscal year. As shown on the report, several of the programs zero out, which means we spent the money we received.

Entity Wide Balance Sheet Summary – This report is called the HUD REAC (Real Estate Assessment Center) Submission. The numbers in the HUD system must match with the audit, and all of ours do. Mr. Phillips said the HUD REAC must be included in the audit, so it is included in their opinion. He stated that they feel the numbers in the HUD submission are materially accurate.

Schedule of Expenditures of Federal and State Awards – In Texas, we are required to include the state awards that we have. Mr. Phillips said that sometimes federal funds flow through state funds, but some funds are purely state funds, and PCS spent approximately \$453,000 in state funds. The total amount of federal funds spent was \$21.7 million. Mr. Phillips said this is another number to tell the public because it shows that we are spending more than just local funds.

Mr. Phillips referred to the two letters to the PCS Board of Directors that were included in the "Supplementary Information" section of the audit and reported the following:

<u>Letter on Internal Controls</u> – Mr. Phillips stated that there were no problems with PCS' internal controls that rose to the level of needing to be reported.

<u>Letter on Compliance for Each Major Program</u> – This letter covers internal controls over compliance for each major program. Mr. Phillips said he is required to test some of our federal money for compliance. There are 14 areas of compliance, and the testing involved reviewing not only financial information, but also client files, payroll, and other areas of program compliance. Mr. Phillips said that the letter is an unmodified opinion and that they found no problems when testing our major programs.

Mr. Phillips reviewed the "Schedule of Findings and Questioned Costs", a one-page synopsis of the audit prepared for the Federal Government. He stated that we qualified as a low-risk auditee because we had at least 2 years with no findings. Mr. Phillips reported that there were no Financial Statement Findings and no Federal Award Findings or Questioned Costs. He also reported that there were no prior audit findings. Mr. Phillips said the audit is ready for submission to the Federal Clearinghouse.

Mr. Phillips referred to the IRS Form 990 and said that is not prepared until the audit is completed. He said we want the numbers on the IRS Form 990 to match the audit.

Judge Irwin asked for a motion to state that the Board has received and accepted the 2021 audit.

Motion:

To state that the Board has received and accepted the PCS 2021 Audit.

Moved By:

Lydia Villanueva

Second: Robert Coffee

Vote:

Motion carried by voice vote

Motion:

To state that the Board has received and accepted the IRS Form 990.

Moved By:

Judge Dan Looten

Second: Lydia Villanueva

Vote:

Motion carried by voice vote

Finance Report (OS 8.7) (PTE 6.1)

Robert Carlton, CFO, reviewed the July Finance Report memo. He reported on the grants that were closing in August and September. He also stated that we have implemented the reorganization of the Finance Department and retained a grant writer. Mr. Carlton reviewed the Balance Sheet, Comparative Balance Sheet, and Grant Summary. He noted that we are showing a deficit in the 2022 Housing Preservation Grant (HPG) on the Grant Summary, but said that is incorrect and he is researching the issue. Mr. Carlton reviewed the County Funds report and said it is a snapshot of the 2022 grant year. (The July Finance Report, Balance Sheet, Comparative Balance Sheet, Grant Summary (an organization-wide report on revenue and expenditures that compares budget to actual, categorized by program), County Funds and Unrestricted Funds were included in the packet sent to the Board.)

Judge Irwin asked for a motion to accept the Finance Report.

Motion:

Vote:

To accept the Finance Report.

Moved By:

Executive Director's Report

Judge Rowdy Rhoades

Motion carried by voice vote

Ms. York said she would like to follow-up on the audit report. She referred to the Official Management Letter that was included with the audit, and said it showed more adjustments than normal, but that Neil Phillips worked with us to make the adjustments.

Second: Amanda Quillin

Ms. York presented her Executive Director's Report:

- NCAP Conference We were one of four agencies recognized for achieving Bronze Tier status in Pathways to Excellence. Ms. York said our goal is to cross the stage in August 2024 to receive the National Award for Excellence. Ms. York said the training at the conference helped staff gain new perspectives on what other agencies are doing in community action. She asked Mr. Carlton to report on a discussion of race that was presented by an agency from California. Mr. Carlton said it gave people a safe place to open up and talk about race, and he suggested we do this in our agency. Ms. York said we would develop a workshop over the next few months and would send out the information to the Board.
- Judges' Visits Ms. York said she has begun her visits with County Judges to discuss the reorganization plan for our centers. Ms. York stated that she spoke with the Donley County Judge and Judge Powell in Hall County and both support our reorganization plan. She noted that Judge Powell said he would welcome a PCS center in Memphis.
- Cost of Living Increase Ms. York stated that, due to inflation, we decided to do a cost of living wage increase on October 1, 2022, instead of waiting until the New Year. We will do a 4% Cost of Living increase for everyone in the agency. Any additional step increases will be based on performance. Ms. York said a memo notifying staff of the cost of living raise would be sent out after October 1,
- Weatherization Director Ms. York introduced the new Weatherization Director, Alex Hughes. She reviewed his qualifications and commended him for his approach to the job.
- Board Effect Software Ms. York reviewed the benefits of using the Board management software, Board Effect, and recommended that the agency purchase the software to manage Board related communications and documentation. Ms. York asked the Board members if they would use the software and all agreed they would. She stated that we will begin using the software on January 1, 2023.

John Sharp, Treasurer, asked if Ms. York was included in the cost of living raise. Ms. York said the cost of living raise includes everyone but her and that only the Board could approve a change to her salary. Mr. Sharp asked if the Board could consider a cost of living raise for Ms. York. Discussion followed.

Motion: To include the Executive Director in the 4% Cost of Living raise.

Moved By: Judge Rowdy Rhoades

Motion carried by voice vote

Ms. York asked for a motion to accept her report.

Motion: To accept the Executive Director's report as presented.

Moved By:

Lydia Villanueva

Second: John Sharp

Vote:

Vote:

Motion carried by voice vote

Judge Irwin asked for a motion to approve purchasing the Board Effect software.

Motion: To approve purchasing Board Effect software.

Moved By:

Judge Rowdy Rhoades

Second: Judge Dan Looten

Second: John Sharp

Vote:

Motion carried by voice vote

Final Public Comment Period

Judge Irwin called for public comment. No public comments were made.

The Promise of Community Action

Judge Irwin led the board in reciting the Promise of Community Action:

Community Action changes people's lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community, and we are dedicated to helping people help themselves and each other.

Motion to Adjourn

Motion: To adjourn.

Moved by:

Lydia Villanueva

Second:

Robert Coffee

Vote:

Motion carried by voice vote

Hearing no objections meeting was adjourned at 12:59 p.m. (OS 2.4).

I hereby certify that this is a true and correct copy of the minutes approved by the Panhandle Community Services Board of Directors.

Signature:

Name: Judge Dan Looten Title:

Board Secretary

PCS Board of Directors' Meeting Minutes, September 15, 2022