

## **ECONOMIC SECURITY CORPORATION OF SOUTHWEST AREA**

### **BOARD MEETING MINUTES**

**March 5, 2020**

The Economic Security Corporation of Southwest Area's Board of Directors met on Thursday, March 5, 2020, at 7:30 p.m., at 302 S. Joplin Avenue, Joplin, Missouri. Jim Jackson, Interim President, called the general session to order. The invocation was given by John Joines.

Roll call was taken and those present were: Darieus Adams, Joe Crosthwait, Jim Jackson, Joy Williams, David Holloway, Doris Fast, Jenny Sullivan, Nikki Tappana, Cleo Crosby, Karen Buckman, Thomas Wilson, Erwin Stanscheit, Kourtney Connelly, and Tamara Serr. A quorum was present. Members Mike Davis, Chester Neel, Sarah Alumbaugh, Paula Carsel, Kevin Johnson, Jessica Bryant, Phillip Knott, and Melissa Lance. Policy Council Liason Spring Knott was also absent. Social Work student from MSSU, Emily Lane, was in attendance as a guest.

Thomas Wilson made a motion to excuse the absent members. Joy Williams seconded the motion, which was then approved unanimously.

Thomas then made a motion to accept the Amended Agenda. This motion was seconded by Karen Buckman and was also approved unanimously.

#### **Old Business**

There was no old business to be discussed.

#### **Executive Director's Report**

John distributed an informational packet regarding the funds we receive, not just from the usual grants but also from businesses. Rated by revenue, we are the largest nonprofit until you reach Springfield. He stated another way to look at our mission is that we want to put ourselves out of business by assisting everyone to get above poverty. We are trusted by funding sources to be able to utilize and spend the money they give us to assist clients because historically, we have done so. Therefore, they give us more funds.

John announced that Henry had resigned due to health reasons. Jim Jackson is serving as the Interim President until a new president is elected.

#### **Head Start Policy Council Report**

Jeff reported that Phillip had surgery the day before, and Spring was staying home to look after him. Therefore, there was no Policy Council Report.

#### **Head Start Update Report**

Jeff stated that the Head Start/Early Head Start received over \$550 million in funding. Congress has agreed to increase Head Start funding, and we look to receive about \$400 thousand in a few

weeks. Of those funds, about half will allow for a 2% Cost of Living increase for employees, and the other half are designated as quality improvement funds. Some of the programs will address trauma and effects of the Opioid Crisis. He went on to give some statistics regarding this crisis, such as that one of every three families in Missouri has been effected by a substance abuse problem. For every one hundred people, eighty prescriptions are written. And, the US makes up about 5% of the world's population, but we consume 80% of the opioids in the world.

We will probably ask the Board to approve applying for this funding at the April meeting. We will also be addressing expansion funding for the Early Head Start. These programs effect a lot of children.

### **Board Training**

Board Training this month was conducted by Jennifer Warmoth, our ERSEA Coordinator. A detailed handout was given to everyone. As Jennifer explained, some income counts and some does not for the Head Start/Early Head Start selection criteria, so we have to look at the source. For some, we can accept self-declaration while for others third party verification is required.

Early Head Start is for children and mothers from pre-birth to their third birthday. Once they reach their third birthday, the children transition into Head Start until they are eligible to attend public school. In our area, that is age five if their birthday is on or before July 31.

Incomes do fluctuate. However, once enrolled the family does not have to recertify until they are transitioning. At that time, we look at the last twelve months, or if the child is enrolling during the third year of Head Start, we look at the last half year.

### **Executive/Finance/Audit Committee Report**

Daricus Adams made the motion to approve the minutes of the February 10 Committee Meeting. The motion was seconded by Karen Buckman. The motion was approved unanimously.

Joe Crosthwait then made a motion, seconded by Nikki Tappana, to approve the financial statements for the month of January 2020. This motion also passed unanimously.

Jim explained that we had sent out five requests for bids for a weatherization insulation services contractor. We only received two bids back. The one we would like to accept is from Sycamore Homes. We have worked with them a lot in the past. This bid included a 10% increase, but was still the better of the two. Joe Crosthwait made the motion to accept the bid from Sycamore Homes. It was seconded by Nikki Tappana and approved unanimously.

Jim explained that Tony had gone over the Form 990 Tax Return for fiscal year 2019 for Economic Security Community Development Corporation with the committee. It was pretty straight forward. Joe Crosthwait made the motion, seconded by Nikki Tappana, to approve this tax return. It passed unanimously.

Tony had also reviewed the Economic Security Corporation Form 990 tax return for fiscal year 2019. The motion to approve this return was made by Joe Crosthwait and seconded by Nikki

Tappana. It was approved unanimously as well.

Daricus Adams made a motion, seconded by Thomas Wilson, to approve the ESC Audit for the year ending September 30, 2019. There was a statement by the auditor on page 2 of the report that was pointed out. It was reported that this was a good, clean report, done by the same auditors who have completed our audit for the last ten years. Jim reported that the credit for this goes to Tony and the fiscal staff. Tony must be knowledgeable regarding every grant we receive in order to report correctly. We are considered a low risk auditee, so the auditors only have to audit two of our programs. Some new programs, such as the Joplin Bungalows, LLC have increased the amount of accounting a lot. In regards to a question, John replied that at this time we don't know when, or if, we will be doing Phase 2 of this program. We are currently processing applications from tenants for this housing project. The motion to approve the audit was approved unanimously.

Last month, the Board had approved the purchase of three new buses for Head Start. These are to be delivered the second week of May. Joe Crosthwait made a motion to approve obtaining a loan from Southwest Missouri Bank to pay for this purchase. The motion was seconded by Nikki Tappana, and passed unanimously.

A lot of our funding sources require we have succession plans in place in case one of the five key personnel is unable to do their job for a period of time. For instance, if the Chief Executive Officer became ill and was unable to fulfill his duties for up to three months, the Deputy Director would step up and take on those duties during this period of time, with a slight increase in pay. If the CEO was still unable to fulfill his duties at the end of those three months, someone would be hired to fill the Deputy Director's position for the duration. Similar succession plans are in place for other key staff, assuming the replacement has the necessary experience. If the replacement does not have the required experience, our auditors would be used to cover the position until someone new could be hired to fill the position. Although funding sources only require the plans for the five key positions, John would like for the other directors to have a plan in place as well. Those directors and John will be working on those plans in the coming months. In the meantime, Daricus made a motion to approve the succession plans for the five key staff members, those being: Human Resources Director, Head Start Director, Deputy Director, Fiscal Director, and the Chief Executive Officer. Cleo Crosby seconded the motion, and it was approved unanimously.

Jim reported that the committee had formed a selection committee to nominate a candidate for Board President to serve out the remainder of Henry's term. The Board will be apprised of more information regarding this in the future.

Nikki Tappana made the motion to appoint Jim Jackson as the Interim Board President to serve until a new president was elected. The motion was seconded by Joy Williams and passed unanimously.

Jim explained that we still have some construction and bills to finish up to complete the Joplin Bungalows LLC program. Therefore, we would like to extend the line of credit we currently

have with Southwest Missouri Bank for another year to allow for this. The interest on this line of credit was only 1% above prime at the time it was taken out, so about 3%. Thomas made the motion to extend the line of credit with SMB for the Joplin Bungalows LLC project until March 15, 2021. This motion was seconded by Tamara Serr and passed unanimously.

### **Community Relations Committee Report**

Tammy had explained that going forward, CSBG guidance for their monitorings requires the date a board member was seated. This is for all categories, not just low-income representatives, which is all we were required to do before. As many of our current members have served on the board for quite a few years, we were not required to document this. There will be no findings for this item this year, but we would like to get ahead of the curve. Therefore, Thomas Wilson made the motion to seat all current board members as of March 5, 2020. The motion was seconded by Karen Buckman and approved by all. It was also explained that going forward, when any new member is seated on the Board, we will add the item to the agenda regardless of the group.

### **Agency Personnel and Planning Committee Report**

Joe explained that the Selection Criteria is a scoring system to determine which children are enrolled in Head Start. The new items listed in the criteria are not really new, they have just moved from procedure based to the point based system, so a new process. One of the items of note was the Adverse Childhood Experience (ACE). The motion to approve the Selection Criteria was made by Joe Crosthwait and seconded by Darieus Adams. It passed unanimously.

### **Program Monitoring and Evaluation Committee Report**

Thomas Wilson was to report for this committee. He deferred to Leisa Harnar for Item A, Review of the Head Start Data Reports. Leisa reported that the absences in the programs were due to illnesses that required being absent for more than one day, as well as for bad weather. This was the only outstanding item, and the programs are on track for the time of year. No action was taken on this item.

Debbie Markman reported that the agency grade card, or Impact Report, for the first quarter reported on thirty-eight items, two of which are in a cautionary category. We do expect those to be taken care of by the 3<sup>rd</sup> quarter. They just are not achievements that are reached evenly throughout the year. No action was needed for this item, either.

Leisa reported that she had been contacted by Region M Waste Management District. They stated they had this money available, and if we wanted it, they would hold it until they received our application. These funds would be used to provide bins for recycling. As part of the agreement, we will speak with the children, parents, and staff regarding the importance of good waste management and urge participation in recycling programs, etc. We will track tonnage through the bins, and award prizes. We will also reward parents who choose to do recycling at home. The motion to approve applying for the Region M Waste Management District Education Grant Opportunity was made by Thomas Wilson and seconded by Joy Williams. It passed unanimously.

Tammy Walker reported that MHDC spent one day reviewing four programs. They reviewed

fourteen files for the first program, twenty-two for the second, eight (100%) files for the third, and five files for the fourth program. There were no findings in any of the reviews. They did suggest that the cancelled checks for the programs be placed in the files in Community Development. We have done this, and will do so going forward. No action was needed by the Board for this item.

The final item for this committee was a review of the monitoring report on the SkillUP program. We no longer operate this program. Originally, the state had offered this program to Missouri Community Action Network, or MCAN. We were to be a subcontractor to MCAN. There were a lot of issues with this program, including payment and guidance. The monitors reviewed four of our files.

We applied for the contract on August 18. We then worked on the program until November without ever being paid. Finally, after John sent several stern letters, we received payment in February. We were one of thirteen community action agencies monitored.

There were seven areas of findings in the monitoring. One file was out of compliance. There were two files where the wrong code was entered for the SNAP program. There were no findings for our Intern for Case Manager. However, all of the files contained errors regarding employment, and the case notes were reported as “vague”.

Following the end of the monitoring, Tammy asked four times to be allowed access to make comments. Finally, after 35 days, the state replied and said we did not need to do anything in regards to the monitoring.

There were no actions taken in response to this item.

### **Announcements**

The next Board meeting is scheduled for Thursday, April 2, 2020 at 7:30 P.M. Joe made a motion to adjourn. The motion was seconded by Tamara, and the meeting adjourned at 8:30.

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Jim Jackson, President

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Attest: Nikki Tappana, Secretary