

MINUTES
BOARD OF DIRECTOR
Wednesday, August 27, 2014
8:30 a.m. – 10:30 a.m.
Community Action Board of Directors
Pathways Center, 20 Eclipse, Beloit

<u>Present</u>		<u>Absent</u>	<u>Staff</u>	
Kim Capstick	Linda Seemeyer	Penny Sonheim	Lisa Furseth	John Ramstad
Shannon Gallagher	Amanda Sookraj	Jana Vegge	Cecilia Dever	
Dave Godek	Mark Spreitzer		Traci Scherck	
Jason Heidenreich	Jennifer Wood		Lynn Jones	
Julie Lewis	Jeremy Zajac		Marc Perry	
Minnie Murry			Jennifer Perreault	
Brenda Pinson				

CALL TO ORDER – Meeting was called to order by the Board Chair and the above attendance was recorded.

PRESENTATION OF THE 2013 AUDIT – Jean Christensen

Audit firm partner, Jean Christensen was present and provided an overview of the 2013 audit to the Board. There were no findings and no management letter was issued. CAI continues to hold a strong financial position with strong internal controls and grant compliance.

ACTION TAKEN: Linda Seemeyer motioned to approval the 2013 audit as presented by Jean Christensen of Wipfli, Mark Spreitzer seconded, accepted unanimously.

CONSENT AGENDA ITEMS

Board member, Julie Lewis, requested that the Financial Minutes be pulled from the Consent Agenda to further discuss the BMAH Dissolution Recommendation.

ACTION TAKEN: Dave Godek motioned to approve the Consent Agenda as modified, Jeremy Zajac seconded, accepted unanimously.

BMAH DISSOLUTION RECOMMENDATION

Julie Lewis requested a more thorough explanation of the BMAH recommendation. Staff explained that we are coming to the end of our compliance period with BMAH; we have the option to purchase the project for a defined price. We could choose not to exercise this option, however, there are complications due to the fact that BALI, which we own, shares a party wall with BMAH and CAI continues to have a \$2 million liability for the BALI project. We may encounter management challenges for BALI if we do not control the other project. Also, we have a long term development agreement with City of Beloit. Therefore, staff is recommending pursuing the purchase of BMAH

ACTION TAKEN: Julie Lewis motioned to start negotiation with parameters as recommended by the Finance Committee (listed below), Mark Spreitzer seconded, accepted unanimously:

- **Negotiate a dissolution of the current partnership and acquisition of BMAH as a wholly owned, disregarded entity according to the following general terms:**
 - **Payment to the Limited Partner not to exceed \$1, the unpaid distribution of cash flow and incentive fees and any tax liability that may accrue as a result of that payment;**
 - **Permanent debt financing not to exceed \$900,000;**
 - **Utilization of up to \$200,000 HOME contract and/or program income funds to support acquisition and rehab costs;**
 - **Capital improvements in 2015 not to exceed \$160,000;**
 - **Plan for capital improvements - replacements reserves**

COMMUNICATION

- Chair Remarks – Committee Appointments, Conflict of Interest (p26)
- Executive Directors Report

ACTION TAKEN: Dave Godek motioned to approve the Executive Directors Report as submitted, Shannon Gallagher seconded, accepted unanimously.

STRATEGIC PLAN

Staff presented proposed goals as the framework for the update of the strategic plan. Once approved, staff will integrate strategies and outcome measures. Julie Lewis raised a concern that the language inaccurately described our role in education. Staff agreed to try to address this concern in the development of the strategies. **ACTION TAKEN:** No action was taken at this time.

CLOSED SESSION

The Board of Directors will convene in Closed Session to review and consider actions related to the planned Executive Director transition.

ACTION TAKEN: Jeremy Zajac proposed to move the Board into Closed Session, Amanda Sookraj seconded, accepted unanimously.

ACTION TAKEN: Jason Heidenreich motioned to move back into open session, Dave Godek seconded, accepted unanimously.

ADJOURN

ACTION TAKEN: Jason Heidenreich motioned to adjourn, Dave Godek seconded, accepted unanimously.

**Next Meeting: Wednesday, October 29, 2014, 20 Eclipse, Beloit, WI, 8:30 – 10:30
Board Room
BOARD TRAINING IMMEDIATELY FOLLOWING**