

September 16, 2017
Holiday Inn Resort – Wrightsville Beach, NC

D Jones called the meeting to order at 8:31 am.

Welcome and Introductions by D Jones, Chair. Quorum established. **(See attendance table.)**

1. Board Chair Report – D Jones, Chair

- D Jones read the Conflict and Competing Interest Statement and asked Board members if there were any known conflicts with any of the Agenda items. No conflicts were disclosed.
- Public Comment – None.

2. Consent Agenda – Bryan Dooley, Secretary

Bryan Dooley directed the Board members to the Consent Agenda and asked if anyone had questions. There were none.

Bryan Dooley made a motion to approve the Consent Agenda. Rachel Fuerst seconded the motion. The motion passed unanimously.

3. Disability Rights NC’s Financial Health – Itnuit Janovitz-Freireich, Treasurer
Finances Year to Date –

- **Balance Sheet** – information provided; no discussion.
- **Statement of Revenue and Expenditures** – Actual revenue for 11 months of the fiscal year is 91.7% of the annual budget. The third column of the report shows the percentage of actual activity compared to the annual budget in each category. Our federal grant actual revenue is 88.8% of the annual budget. Events and Fundraising was 68.8% but we also had more income from grants and awards of 119.5%. Crystal asked why revenue was less than expected. Charlie explained that, in part, it is because of our expenditures and we have had some open staff positions. All of our federal grants are cost reimbursement so if we do not spend the money on an allowable cost, we cannot collect the revenue. Elaine also explained that the annual conference is a separate event and she is optimistic when looking at the fundraising budget. Lisa stated that we do not have any un-deposited attorney fees. Charlie reported that the *Pashby* attorney fees were deemed to be restricted and therefore could not be deposited in Greenblatt because it is program income for PAIR. Since we have to spend PAIR program income such as attorney fees first, we have about \$40,000 that we have to spend down first. Vicki reported that RSA clarified at the fiscal managers’ conference in July that program

income had to be recorded as earned when received. Lisa explained how program staff are correcting over-spending in PAIDD.

Vicki explained that reports were developed to track the spending as a result of running out of PAIMI in 2009. Charlie stated that we have to spend more PAIR and AT next year and that is one of the biggest challenges. Intuit directed everyone to the last line of the document which overall reflects that we are right on target. Salaries and fringe are lower than budgeted because of open positions not yet filled. Operations is below the budget at 78.25%. Database is higher because of the switch from the old Panda database to the new DAD database. Total Expenditures are about 7% below overall. Charlie estimates that we will be about 5% under at the end of the year. Charlie reported that in looking at the last five years, we have averaged coming in under budget at 4%. Under Shared Costs, the Professional Fees were higher than expected. We have been using some contract help to cover a vacant position. Total expenses are below our income.

- **Summary of Grant Financial Information** – Intuit explained that this document reflects how the money is spread across all the grants. The last column tells us we are at 91.66% year-to-date. Most of our spending is in the PAIDD grant. The grants under budget will carry over to the next year. Rachel asked about the Greenblatt Fund. Charlie explained that it has increased by \$31,000. Over the years, we were able to build up the Greenblatt Fund because of rep payee. This fund pays for those items that cannot be charged to a federal grant including our policy work and fundraising activities. Vicki reported that we have a surplus in Greenblatt, but we are not earning more in Greenblatt than we are spending. We are getting closer to an annual balanced budget in Greenblatt. For example, expenses are charged to Greenblatt when discretionary grants run out of money. Charlie added that the cost center is for expenses that are non-federal in nature. Elaine added that income from trainings, if we do not charge staff time to a federal grant, can go into the Greenblatt Fund. Intuit talked about the restrictions on each of the grants. Charlie explained that we have several federal grants that have been under-spent so we will have to work hard next year to spend in these grants. Lisa added that the PAIDD attorney fees do not have a time limit. Vicki explained the deadlines for spending the grant funds. Crystal asked if the federal rules could be changed for all of our federal grants so they are more in line with PAIDD. Vicki shared that NDRN has been trying to do that for a while with little success. Charlie explained the variances, in particular, that IOLTA is on a different fiscal year.

- **New Business: Report of the Executive Session**
 Rachel reported that there was a closed executive session on Friday. Vicki made a retirement proposal and it was accepted by the entire board. She stated that there will be a written memorialization. Compensation will be confidential but will be given to Intuit and Charlie. Rachel announced a change in the agenda. There will be no committee meetings or reports because that time is needed to discuss the budget.

After discussion in the Executive session, it was decided to create a committee to do a search for Vicki's successor. The committee will be expanded to involve more than just board members.

Rachel Fuerst moved that Bill Donohue act as chair of a committee to put together a search committee. D Jones seconded. The motion passed unanimously. Bill accepted the position.

Bill gave the board an exercise to assist with the process of gathering information for the search process which included listing the names of search firms, self-advocates, time commitment, etc. Rachel encouraged other board members to help Bill with this process. She stated that the executive committee will need to approve the search committee and any outside firm that might be selected. The board may need to allocate more money than budgeted, if necessary.

Rachel Fuerst moved that the board schedule a one-hour closed executive session at the December board meeting. Kim Lan Grout seconded the motion. The motion passed unanimously.

Rachel asked board members who work in media to begin drafting a statement about Vicki's retirement. The board will want to do a public message announcing Vicki's retirement and comply with any grant requirements. This will be a good way to communicate to the public that we will be doing a search and getting input. Rachel stated that this message from the board is for general purposes.

Rachel Fuerst moved that Tori Ekstrand, Kim Lan Grout, and Bryan Dooley work on the proposed message to be submitted to the executive committee for approval to be put out to the public. Jill Scercy seconded. The motion passed unanimously.

Tori stated that she would like the announcement to go out on Monday. Vicki said that she would share retirement announcements from other P&As. Elaine shared that we have a media list which is already branded and any announcement should be consistent with our 'look'.

- **New Website** – Vicki referred the board to her executive director report which summarized the website information and the status. Elaine will share more information during the development report. This proposal includes a focus group so the board can provide input. Ernie volunteered to help with the process.
- **FY 2018 Proposed Budget** – Itnuit explained that there are two versions of the budget and asked the board to start with proposed budget #2. Charlie reported that both budgets were discussed in detail during the finance/audit committee. He explained that

we anticipate getting \$40,000 from a Robert Wood Johnson grant and \$80,000 from the Governors Crime Commission (GCC) for a total of \$120,000. Budget #2 includes a staff person to be hired in the GCC Grant, which adds \$60,000 to the personnel line. Since we have not received a Notice of Grant Award (NOGA) for the GCC grant, we do not know how much flexibility we have to change the proposed budget. We currently have two open positions – paralegal and attorney. We are not anticipating any attorney fees this year because we do not think we will receive any. We only budget for them if their receipt is pending. We will need \$428,000 in carryover to cover expenses. This is about twice as much to spend in carryover than last year. We have not heard about the third grant (ALC) applied for. We can use unrestricted funds to cover some of this cost. The board wants us to keep a 90-day carryover. It may take 3 years before we have no carryover at the rate we are budgeting to spend it if we do not increase our revenue. This year’s budget does have some expenses that we will not have next year. Intuit says it is a conservative budget and we are spending more than we are getting in. Salaries is a big increase because we have open positions and 2 new positions – the Disability Law Fellow and a staff person to do the GCC grant that were not in the 2017 budget. Elaine explained the GCC staff breakdown and that the grant is for two years. The board discussed the GCC budgeted staff amount as being high. This budget proposal also includes a raise for almost all staff. For those at the top of the range, there is a 1% COLA and additional money for overlap transition for CFO and CEO. Crystal is very concerned and nervous about the knowledge that is going to be lost with the CFO and CEO positions. Natalie stated that we have an unsustainable budget and is concerned about adding this position. Itnuit stated that some expenditures will not be there next year. Rachel says the proposal is self-sustainable. Charlie explained future budgets. He stated that the budget includes the fringe benefits for the GCC position and includes all open positions being filled. Costs were cut in office expenses and equipment areas. Staff recruitment allows \$50,000 for recruitment efforts. Lisa stated that the Justice Center spent \$30,000 and Rachel explained that we might have flight costs involved in recruitment and may need more. Itnuit likes the idea of hiring someone for the GCC grant.

Ernie raised concerns about hiring the CFO and CEO within the budget. Rachel stated that the executive committee hopes to have sufficient time to address it going forward in a closed session. Rachel emphasized that the budget is for the upcoming year.

Itnuit asked to discuss how to accommodate board members who travel long distances. Carol stated that the PAIMI AC uses two hours as their rule. If a trip is longer than that, they get an extra hotel room. Vicki explained that it is provided on an individual basis with the advisory council as well as the board.

Itnuit Freireich moved to approve Budget #2 and Janna Shisler seconded. The motion passed unanimously.

4. Final FY 2018 Target Recommendations – Lisa Grafstein, Managing Attorney

She gave a summary of the targets, highlighted the changes within the plans and provided background to support the changes. Rachel asked about the availability of case management regarding the work of the KIDS team. Lisa provided the DOJ status.

Bill Donohue made a motion to approve the FY 2018 Targets. Jill Scercy seconded the motion. The motion passed unanimously.

5. Development Report – Elaine Whitford, Director of Development

- She reminded the board about the upcoming Belk Charity Sale and tickets are \$5 each.
- Elaine reported that the 10th Anniversary celebration was a huge success and credited Diane Morris for doing a fantastic job on the videos. Our celebration cost was defrayed by a \$5,000 sponsorship.
- For the second year in a row, we are at 100% board giving which is important to grantors.
- Elaine stated that she will look for potential grants to help defray the costs for the executive director search.
- Elaine explained a new revenue stream – online CLEs. She described the participation, revenue, donations and the new website platform. There is an \$8 discount right now when signing up for CLEs. She hopes to roll out two or three more this calendar year and sees potential for a larger revenue stream, possibly \$25,000 - \$30,000. The board discussed their interest in promoting the CLEs through personal accounts, i.e., Facebook and contacts. If an attorney outside of NC is interested, they should contact Elaine. There was also a discussion about physician required CMEs and Crystal agreed to be a speaker for this topic. Elaine also shared that there is an option to make a donation when signing up for the CLEs. Tori stated that this highlights development and fundraising and the need to spend more time on this topic. Itnuit described making donations through Facebook and other social media. We are only a few likes away from 5,000 on Facebook and have endorsements by NASW and other licensing agents.
- Elaine reported on *Over the Edge* – we were not able to secure a building. A number of buildings were presented to *Over the Edge* but architecturally would not work. *Over the Edge* will void our \$9,000 deposit check until we find a building. It will not happen in 2017 and could happen in 2018. Our license is valid for one year with a contingency that you have to lock in for a year. The board discussed other markets.
- The board also discussed generating donations through other outlets like Amazon, eBay, etc. Elaine stated that smile.amazon.com has not generated much. She will look into the eBay donation feature mentioned by Jill.

- New Website – we got three or four bids and decided to go with the lowest bid but not based on cost. The developer is focused on accessibility and will have a modern look. The process is to build a focus group and she thinks it will take about a year. Elaine believes it will be based in Wordpress. They are looking at the analytics and how to do more information and referral on the website.

6. PAIMI Advisory Council – Carol Cannon, Chair

The advisory council met on the 13th and 14th. The 13th was their business meeting and they discussed the budget. They had a nominations committee report and Carol shared that they have some open slots. They are looking for diversity in the Raleigh-Durham area. Marcia Roth has rotated off. They also need someone from the Winston-Salem and Greensboro areas. This is Carol's last meeting as Chair of the PAIMI Advisory Council. Gail Osborne will be the new Chair in December. The Vice-Chair is still Kat Boeck and Bethany Smith is the Secretary. They discussed the staff target recommendations specific to PAIMI. They also discussed PAIMI eligibility. She stated that there is an eligibility policy. On the 14th, Corye Dunn talked to them about the DOJ settlement. Marti Knisely talked to them during their retreat. Carol believes that by 2020 they will be close to the targets. Marti has been in close contact with the PAIMI Advisory Council, staff and the executive director. Carol looks forward to the next three years. Rachel reminded the board that they can attend the PAIMI meetings. Carol reported on her Boston conference. She stated that advocates and peer support are looking at coalition funding and not SAMSHA. What does the consumer really want when DRNC advocates? She thanked the board for her time as Chair.

7. What Keeps the Executive Director Up at Night – Vicki Smith, Executive Director

She provided background on the title of her report. She then explained that she is a planner. At the top management level, you have to plan for what might fail and it can be paralyzing. She shared yesterday that when she was hired, the Emotional Intelligence test showed she was goal oriented. She has recognized that it is time for her to retire and allow for a different style of leadership to come to the agency. The contingency worry would be what would keep her up at night if she stayed. Her 'what if' questions are about across the board cuts, loss of a program, etc. Yesterday's retreat discussion helped the board think about the 'what if' questions and to ask the 'why do we do it this way' as strategies to anticipate and respond to change. Her goal is to work with the board as requested to hire the executive director that they want and need for the future. She will help in any way that the board wants. She shared that her strength came from the disability community itself. She liked listening to the board talk about the 2018 budget seriously with the questions and decisions about the future. If you are on Facebook, you can "like" her as she will be following the state of things.

8. Old Business –

- No investment recommendation at this time.
- December 8 is the next meeting at the Embassy Suites in Cary.

New Business –

- Process for Filling Vacancies –
 - Rachel said we need to look at diversity to fill the board vacancies. At one time, we had three people from all four regions and we are not there now. We need someone from the mountains (Region 1) and we do not have anyone from the Native American community. We also need someone in Region 4 (east of I-95). Board members should encourage people to apply. Tori says she would be happy to go to the Native American Center at UNC and Chris said Greg Richardson is engaged with the Indian Affairs. Vicki and D can help with the criteria and making requests. The Native American festival is coming up November 18 in Raleigh and we should think forward.
 - CFO vacancy – Rachel said we should go ahead and post again. Charlie explained how we plan to cover the audit and the December board meeting. The board discussed an anticipated start date and Vicki said we would go ahead and post the position.

Crystal Bowe made a motion to adjourn. Natalie seconded the motion. The meeting adjourned at 1:45 pm.

Submitted by: _____
Bryan Dooley, Secretary

Date: _____

Board Meeting Attendance Report – 2017

This chart illustrates board attendance for the current calendar year
P = Member attended meeting in Person
T = Member participated by Teleconference
O = Member was absent

Board Members	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Ernie Baldwin			P			O			P			
James Booker			P			P			P			
Crystal Bowe			P			P			P			
Carol Cannon, PAIMI AC Chair			P			P			P			
Bola Desalu			P			T			O			
William Donohue			P			O			P			
Bryan Dooley			P			P			P			
Victoria Ekstrand			P			P			P			
Itnuit Janovitz Freireich			P			P			P			
Rachel Fuerst			P			P			P			
Kim Lan Grout			P			P			P			
D Jones			P			P			P			
Natalie Miller			O			P			P			
Alyssa Ng			P			P			O			
Jill Scercy			P			P			P			
Janna Shisler			P			T			P			
Deborah Whitfield			O			P			O			
Board Attendance			88%			88%			82%			
% Participation / In Person			88%			88%/76%			82%			
<u>Ex-Officio Members:</u>												
Christopher Egan, NCCDD			P			P			P			
<u>Supporting Staff:</u>												
Charlie Barnes			P			P			P			
Lisa Grafstein			P			T			P			
Vicki Smith			P			P			P			
Elaine Whitford			P			P			P			
Janice Willmott			P			P			P			
Corye Dunn			n/a			P			n/a			