

Minutes (Draft)
Jefferson County Committee for Economic Opportunity
Board of Directors Meeting
Headquarters Auditorium

Monday, April 21, 2014
11:30 a.m.

BOARD MEMBERS PRESENT: Mayor Gary R. Richardson, President
Attorney Cathy S. Wright, Secretary
Mr. Charlie A. Faulkner, Treasurer
Mr. Stephen F. Black
Mr. Steven Cottrell
Mr. Kenneth Crenshaw
Mr. Arnold M. King
Rev. T. L. Lewis
Mr. Don Lupo, Jr.
Mr. Toraine Norris
Ms. Patrice Ravizee
Ms. Karen Wadlington

GUEST: Mr. Doug Jones, JCCEO Attorney

STAFF: Dr. Marquita Furness Davis,
Executive Director
James Pearson, Finance Director
Theodore Debro, Deputy Director,
Community Services
Patricia Schmidt, Interim Director,
Child Development Services
Geraldine Collins, Human Resource Manager
Brenda S. Wright, Administrative Assistant

President Gary R. Richardson called the meeting to order.

Rev. T. L. Lewis gave the invocation. Everyone recited The Promise of Community Action.

President Richardson asked for a motion to approve the agenda.

On a motion duly made by Rev. Lewis, seconded by Ms. Karen Wadlington, was carried, the Board unanimously approved the agenda.

President Richardson asked for a motion to approve the minutes, which were previously sent to the Board for review.

On a motion duly made by Mr. Arnold M. King, seconded by Mr. Charlie Faulkner, was carried, the Board unanimously approved the minutes.

Mr. Charlie Faulkner, Chairman, Finance Committee, said the agency has experienced a good month. Three bids were received from auditing firms. The Finance Committee is recommending Sellers Richardson Holman & West LLP to the Board as the auditing firm for the agency. They are in the southeastern region and have an office in Birmingham. There is a one-year contract, with two optional years. Their charges are \$34,000 less than the previous auditors.

On a motion duly made by Mr. King, seconded by Rev. Lewis, was carried, the listed Board members approved the firm of Sellers Richardson Holman & West LLP as the new auditors for the agency: Mr. Stephen F. Black, Mr. Steven Cottrell, Mr. Charlie A. Faulkner, Mr. Arnold M. King, Rev. T. L. Lewis, Mr. Don Lupo, Mr. Toraine Norris, Ms. Patrice Ravizee, President Gary R. Richardson, Ms. Karen Wadlington and Attorney Cathy S. Wright. Mr. Kenneth Crenshaw abstained.

Mr. Faulkner said an accounting system is being implemented and should be in place by the end of May. Also, copies of the financial statement are in the packets.

On a motion duly made by Rev. Lewis, seconded by Mr. Norris, was carried, the Board unanimously approved the finance report.

Dr. Marquita Furness Davis, Executive Director, talked about the restoration of Sequestration. During the Head Start-Early Head Start (HS-EHS) funding year, the budget was reduced by 5.27%. Health & Human Services (HHS) restored the 5.27%, and made a 1.3% COLA adjustment. A handout was distributed reflecting the 2013 Sequestration, the Sequestration restoration, and COLA adjustment. The last page reflects the funding amount for 2014. There has to be approval from the Board to accept this funding restoration. Attorney Cathy S. Wright inquired about personnel and benefit cuts. Dr. Davis said there were personnel cuts, but there are no additional benefits for insurance. The HS compliance position was eliminated, but blended with another job.

There was a benefit in that area, but it is still not enough. The agency has to apply this summer for the new 5-year grant. She said some agencies are under the Teachers Retirement System, which she previously wanted the Board to investigate. She said the agency really does not know how we will be able to afford this. Questions were raised about the amount needed, but Dr. Davis stated that can only be determined after the grant is submitted. The first thing to be done is a Human Resources actuary study, and she will get information for the Board to review.

On a motion duly made by Mr. Faulkner, seconded by Mr. Don Lupo, Jr., was carried, the Board unanimously approved the funding restoration from HHS.

Theodore Debro, Deputy Director, Community Services, distributed a handout about the Weatherization Program, and showed a video. Afterwards, he discussed the guidelines in the hand-out. He said the agency has just received a new grant to make homes better retrofitted in Jefferson County. Also, the applications are rated on a point system.

Dr. Davis said she wanted to allow the Board to see what JCCEO does, as we are not just HS but part of the economic development of this community.

Patricia Schmidt, Interim Director, Child Development, said we have the space to restore 160 children, with the exception of 8 children in EHS, which she is working on. Also, the agency has received 800-1,000 applications.

Dr. Davis said for the first time we are doing a billboard for HS recruitment, and it is located on I-65 South. Not only are we doing it for enrollment, but to let the community know we are here.

Geraldine Collins, Human Resource Manager, said the agency has posted a position for Deputy Director, Child Development, and the announcement will close the first of May.

Dr. Davis said the agency advertised traditionally, electronically and through other professional organizations. We have received out-of-state interests.

Mr. Cottrell asked Ms. Schmidt if consideration was given first for those applicants cut last year. Ms. Schmidt said no persons were cut, but the slots could not be filled. Dr. Davis said fortunately we were at the end of the program year when Sequestration went into effect. We were removed from certain locations, but we absorbed the losses through attrition. Ms. Schmidt said through attrition, some employees retired.

Dr. Davis said Region IV, HS, has a conference that will be held June 16-19, 2014, in Atlanta, Georgia, pertaining to governance as it relates to HS and Community Action Agencies. Also, Kaplaw is hosting a conference June 18-20, 2014, in New Orleans, Louisiana. We are required to afford Board members an opportunity to attend, and Mr. Faulkner did so in January when he went to Florida. Deonika Anchrum will have this information if anyone is interested in attending.

Dr. Davis said she received a call from Birmingham City Councilor Marcus Lundy about a warehouse the agency owns in Ensley. He was interested in that area for green space. He wanted no money exchanged, but a swap for land the city has. She told him she was not interested in any type of real estate, but asked him if he was interested in leasing it. When he returned the call, he wanted the agency to swap some property we are leasing. Jefferson County wants things to stay as they are, which is promising to the agency. He was told she had to bring this before the body and then it would go back to the Finance Committee for consideration. She said the agency is only looking at property as a source of revenue, and if this is done for the City of Birmingham, it would be a write-off. She asked the Board if this was a consideration.

Rev. Lewis said he was aware of how the county feels, but not the city. Dr. Davis said the building they want from the agency costs over \$585,000, and the building they want from us is over \$800,000, which was renovated. This is \$585,000 building is in Ensley, which is a warehouse for classroom equipment, and the contents are worth about \$73,000. If there is a swap, there are two other storage areas available. The building can be sold, because Mr. Debro had someone interested in it. Mr. Debro said the company interested wants to give fair market value. Rev. Lewis said that if the city is willing to take care of this building (JCCEO Headquarters), then they can have the Ensley building.

Dr. Davis said she previously advised the Board of the conversation with Mr. Jarvis Patton, Operations, City of Birmingham, concerning the Headquarters building. Last week, the agency received a request for an internal audit of the agency. The previous audits concerned houses or other programs the agency manages for the city. This audit is only about specific documents of DYS (Division of Youth Services). The agency is the fiscal agent and receives no funding. Their contract ends in July and they are 89% expended. They are still hiring and have day-to-day costs. Attorney Doug Jones has been asked to review the contract and the Board will be advised. Dr. Davis said most of the documents being requested the agency does not have, as they come directly from DYS. Questions were raised as to why the city is not handling the finances of DYS, and Dr. Davis said Mr. Patton said originally the agency agreed to an in-kind service.

Dr. Davis said \$599,000 is funded for operations, and \$200,000 for Kids & Jobs. In the summer, the agency is the fiscal agent for all children hired. Mr. Crenshaw said with the 11% remaining, DYS should be asked how they are going to fund the program. Dr. Davis said Finance Director James Pearson and his staff were going to meet with the city's finance staff, but the meeting did not occur. Mr. Pearson is going to document what their current budget is and give it to them. We are responsible for their insurance, and if someone wanted to sue them, we are responsible. Dr. Davis said she signed the contract, and if the agency pays for their expenses, we cannot get that money back from the city. Through this audit, it is hoped they can see what they have. She has no problem with DYS, but there needs to be a fair agreement. President Richardson asked what was the city circumventing by allowing the agency to be their fiscal agent. Attorney Jones said he would review the contract.

Dr. Davis said Board member Odessa Woolfolk has resigned from the Board. She read her letter. Dr. Davis said the Nominating Committee should look at someone in education to replace her.

At this time, Attorney Jones gave a legal update. He said there was a lawsuit filed by Mr. Sims, who was working in the Weatherization program. Mr. Sims was terminated due to poor workmanship. The insurance company lawyers filed a counter claim, and Mr. Sims subsequently dropped the lawsuit.

Dr. Davis said Attorney Jones is not working with the EEOC complaint received last week that was filed by Melva Langford for age and sex. Attorney Jones said this too is covered by the insurance company. EEOC will make a finding or decline it, and Mrs. Langford would have to pursue it by going to federal court.

Attorney Jones said the matter regarding Ms. Cunningham and Ms. Caulfield has come to a close. Ms. Caulfield received probation and house detention, but could have received a sentence of two years. He stated the agency was placed in a very difficult position. Ms. Cunningham was very fortunate by receiving two years. She had a very good track record, a lot of friends to rely on, and a good lawyer. She was assisted in the mortgage fraud with Rev. Hollman. Her lawyer recognized her exposure very early in order to coordinate something with the government where she assisted the government. He worked out an agreement, which the judge accepted. Despite her best efforts, she put the agency back into the matter, primarily in a memorandum she filed. The Board authorized a victim impact statement, which was very mild based on the loyalty people have at the agency and the friendship with Ms. Cunningham. But it was important for the agency to make a statement about the significant impact of the theft of a half million dollars. She has paid all of the money back, but it was good and bad news for her. It was good news

because she accepted her responsibility, but bad because it cut against her statement that she always intended to pay it back. This went on for two years. It hurt Ms. Cunningham because she injected the Board and Rev. Lewis, which meant that through Rev. Lewis the Board authorized funds to pay revitalization projects that went through Ms. Caulfield's company on work that was never done. He and Rev. Lewis met on a couple of occasions, and as a credit to the Board, Rev. Lewis said those were not the facts. Attorney Jones said this Board, Rev. Lewis and Dr. Davis did not say anything that would hurt Ms. Cunningham. Once the declaration by Rev. Lewis was filed, Judge Coogler, who is a tough judge, said Ms. Cunningham was pulling back on her responsibility, which her lawyer realized. It was fortunate and unfortunate that Ms. Cunningham will serve two years in a federal prison. The impact of what occurred is being felt on this agency and will be every day. Rev. Lewis did not have to testify, but he was prepared. Everyone can now close the chapter on this difficult matter and preserve this agency.

Attorney Jones thanked the Board for allowing him to work on this matter, and commended the Board and the employees on navigating through this difficult and emotional mine field over the last two months.

Rev. Lewis thanked Attorney Jones for doing a yeoman's job in motivating the Board, because this entire agency could have been destroyed. He said when he met with Attorney Jones, he told him, "Truthfulness never fears examination." Attorney Jones told him he had to do a declaration and he told the truth. He said what transpired had nothing to do with this Board or the Director. Further, this Board does not owe an apology to the employees, and at some point, the staff can meet with the Board as there are some things that need to be said.

On a motion duly made by Rev. Lewis, seconded by Mr. King, was carried, the Board unanimously approved that the meeting be adjourned.

Mayor Gary R. Richardson, President

Attorney Cathy S. Wright, Secretary

Brenda S. Wright, Recorder