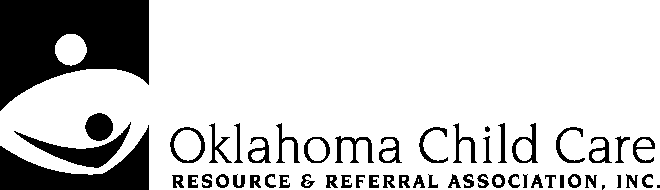
**Board of Directors**

**Meeting Minutes**

Whiskey Cake

December 21, 2016

**Vision**

*Oklahoma communities support the development and learning of all children.*

**Mission Statement**

*All Oklahoma families have access to quality care and education*

*for their children through community-based resource and referral services.*

**Members Present:** Karen Smith, Tammy Charles, Mike Upton, Jim Green, Dianne Juhnke, Jane Humphries, Brittney Wycoff

**Members Excused:** Martha Balderas, Austin Marshall, Stephanie Makke, Taffy Henderson

**Nominees for Board Present:** Clint Everhart, Curtiss Mays

**Nominees for Board Excused:** Marny Dunlap, Tina Smith

**Guests Present:** Gary Saunders/Saunders and Associates, Linda Whaley/OKDHS CCS

**OCCRRA Staff Present:** Paula Koos, Michelle Miller

**Quorum–** Was met,of the 10 voting board members 7 were present (6=quorum)**.**

**Call to Order**

Mike Upton called the meeting to order at 10:09 a.m. with introductions and a warm welcome.

Paula introduced Marny Dunlap and Tina Smith as excused Board Nominees. Marny Dunlap is nominated to become a member at large and the board treasurer. She is unable to attend Wednesday meetings. Tina Smith is nominated as a member at large, non-voting, regional representative. She is currently on vacation. Both have bios in the board packet.

***Audit Presentation***

Gary Saunders from Saunders and Associates joined the board to present the highlights of the FY2016 Audit and the 990. Gary expressed his gratitude at being able to represent to the OCCRRA board.

The audit was conducted in accordance with *Government Auditing Standards*. The Budget Circular A133 is used as a basis of review for agency financials and is now called Uniform Guidance. Uniform Guidance is used to identify programs, guidance and compliance.

* Page 1 – Independent Auditor’s Report (opinion): Unmodified opinion is the best opinion that can be received. We received an unmodified opinion. Our position is good.
* Page 10 – Internal Control and Compliance: in compliance with *Government Auditing Standards* the auditor tests internal controls and looks at basic financial processes for the organization. They were timely and in compliance. There were no instances of non-compliance. Internal controls are in place and are such that non-compliant activity can be identified if it arises. OCCRRA received a clean report.
* Page 12 – Report on Major Programs: Found the agency in compliance with good internal controls. There are 12 attributes of compliance which were met.
* Page 13 – Report on Internal Control: The auditor looks to see if we have internal controls that show non-compliance with the 12 attributes of the Uniform Guidance. We are compliant and received a clean report.

The auditor’s opinion was unmodified with a clean government standards report and a clean uniform guidance report. We cannot do better. Gary congratulated us on a job well done and thanked us for being prepared and cooperative.

The question was asked if there were things we as an agency should be looking for that may not be seen during an audit. Although things can get past the auditor, especially if there is collusion, it is usually caught when the fraud assessment is conducted every other year. The assessment is given to each employee. Management override can be a problematic area if the ED takes privileges and the fiscal employee doesn’t say “no”. It is advised that the agency ensure there is a whistleblower policy or a methodology that allows an employee to go to the board with concerns. Anything to do with cash for management should be scrutinized for transparency. Employees tend to know where the risk lies and these areas are discussed during the auditor conversations with them. We should pay close attention to credit card activity.

* Page 16 – Status of Prior Year Audit Findings: no previous findings.
* Page 17 – Schedule of Findings and Questioned Costs: there were no findings this year and no questioned costs. Nothing was found.
* Page 4 – Statement of Activities (Revenues and Expenses): Excess revenue over expense of $7,398. Our Net Assets/Equity went up by that amount. This is a really good thing.
* Page 6 – Statement of Cash Flows: Cash flows went down, receivables went up. This impacted our cash position.
* Page 3 – Statement of Financial Position: This page shows our liquidity. Current assets to current liabilities – an average ratio is 1.1:1, we are 1.32 and have been steady since 2010 and even earlier than that. We have Net Assets of $164,343 and receive 99% of our funding from federal grants. Within that environment the organization is financially sound.
* Pages 7 - 9 – Notes to Financial Statements: This section reports on the agency structure and overhead expenditures and obligations. It also notes that OCCRRA uses accrual accounting methods. This section is an integral part of the audit.
  + $5,644 was contributed to employee retirement plans. This is more than last year.
  + OCCRRA is economically dependent on one source for 99% of funding. Changes to that grant significantly impacts the organization.

***Auditor Handout***

The auditor provided a handout that used charts and graphs to illustrate the agencies audit and financial situation as compared to the previous two years:

* Page 1 – Revenue Stream
* Page 2 – Revenue Dollars
* Page 3 – 3 years’ worth of revenues
* Page 4 – Expense Stream
* Page 5 – Expense Dollars
* Page 6 – 3 years’ worth of expenses
* Page 7 – Administrative vs. Program
* Page 8 – Administrative expense dollars
* Page 9 – 3 years’ worth of administrative
* Page 10 – Excess revenues
* Page 11 – 3 years of data
* Page 12 – 3 years of revenues and expenses

Audit review concluded at 10:41am.

**Consent Agenda (Mike Upton)**

* + - Minutes from September 2016 Board Meeting.
    - FY2016 – Final-Audited June 2016 Financial Statements.
    - FY2017 - 1st Quarter Financials (July 2016, August 2016 and September 2016)
    - Management Report

***Brittney Wycoff made a motion to approve all Consent Agenda items; seconded by Dianne Juhnke. All were in favor.***

**Finance Committee (Brittney Wycoff)**

***Financials***

First Quarter FY2017 Financials are on track with no surprises.

***FY2016 Audit and 990***

The committee reviewed and discussed the audit and 990 for FY2016. There were two small typographical errors to correct on the 990, otherwise, the documents were approved for presentation to the board of directors.

***Tammy Charles made a motion to approve the FY2016 Audit; seconded by Karen Smith. All were in favor.***

***Tammy Charles made a motion to approve the FY2016 990 with typos corrected; seconded by Karen Smith. All were in favor.***

***FY2017 Budget Contingencies***

As everyone knows, the state is facing potential revenue failures again this year. State Revenue Failures can greatly impact OCCRRA.

CCDBG dollars account for 60% and TANF monies make up 40% of our budget from CCS. As the DHS budget gets tighter and tighter they reduce the TANF dollars from our budget. Although the CCDBG budget remains solid there is nothing to stop the TANF portion from going down. DHS is set to run out of money in March 2017. They have made a supplemental request to the state for more money but there are no certainties. Director Lake has advised his staff to continue on as normal and to consider the situation as operating on a faith based budget. There have been reports that the deficit will be larger than anticipated. The legislature doesn’t go back into session until February and revenue failures come out in May.

Paula and Michelle created budget contingencies for 3%, 5% and 8% cuts. The only problem with these budgets are staff salaries. Staff have had no permanent raises in years. Paula doesn’t want to commit to something that cannot be maintained. Raises were planned when this year began, unfortunately the contingency cuts are being taken from that budgeted money.

The next problem becomes regional cuts and how to allocate to each region. The SE and SC regions get just over $100,000. They are the lowest budgeted regions. If we cut 10% that would actually put them below what they need to maintain two staff positions. Tulsa lost other funding which has already put a crunch on their numbers and caused positions to be terminated. Rainbow Fleet lost funding as well. How do we make a decision on who to cut and how much? Should OCCRRA take a larger cut to absorb regional losses? If OCCRRA were to cut $8,000 from our budget it would have a huge impact on us; but for the regions it would only be $1,000 each which isn’t much.

The budget categories on the contingency budgets presented were reviewed. Some categories cannot be changed or cut down.

* NACCRRA is paid in quarterly payments with the final quarter being pushed to the next year if necessary.
* There is a little room in this year’s budget due mostly to the retirement of Marti Nicholson, Parent Services Manager.
* Resource Materials can be cut. We can make the decision to not forego some planned purchases.

***Database***

We have looked at another system to replace NACCRRAware called Work Life Systems. WLS representatives presented their system in a webinar. Subsequent to that presentation, a trip was made to Kansas to see the program in action. Although the program is much more user friendly it comes with an increased cost of about $6,000 per year. There is no way we will be able to implement it until new contracts in 2019. The regions are wondering if there are membership dues that each region must pay. With NACCRRAware OCCRRA absorbed the cost of each regional module and eventually consolidated everyone into one account. The question then becomes, is there a benefit to remaining a member of CCAoA if the switch is made?

**Governance Committee (Karen Smith)**

***Elections for 2017***

Karen Smith was very pleased to introduce new candidates for board membership (resumes were included in the board packet):

***New Board Members***

* **Curtiss Mays**
* **Clint Everhart**
* **Marny Dunlap**
* **Tina Smith -** Regional Representative

***A motion was made by Mike Upton to accept new board members with Tina Smith being a non-voting member; 2nd by Brittney Wycoff. All were in favor.***

***New Officers***

* **Tammy Charles** – Vice President. Filling vacancy, one year remaining in term: expires December 2017.
* **Mike Upton** - President. Second Term: expires December 2018.
* **Marny Dunlap** – Treasurer. First Term: expires December 2018.

***A motion was made by Dianne Juhnke to accept officer elections as depicted above; 2nd by Brittney Wycoff. All were in favor.***

***Members Leaving***

Brittney Wycoff and Dianne Juhnke are both leaving the board of directors. This is their last meeting. Everyone wishes them well; they will be missed.

Stefanie Rollins has not been responding to any correspondence or attending any meetings. Paula will draft a letter thanking her for her service and letting her know she is no longer a member. This is in compliance with the bylaws.

***Board Member Paperwork***

The Board Member Agreement and the Conflict of Interest Statement were collected. These forms are collected once a year from each member. Michelle will be in contact with anyone without current forms on file.

***Committee Assignments and Charges***

Board members are asked to serve on at least one committee of the board. The committee charges were included in the board packet for review and were brought to the board meeting. They were circulated and the board was asked to sign the bottom of the charge for which they want to serve. Committee assignments will be finalized by the end of February and calendar meetings will be generated by Michelle.

**Public Policy Committee (Dianne Juhnke)**

***Federal Level***

Federally we are in a difficult place. Social Services are extremely concerned about funding and doing a lot of strategizing. The top three people involved in child care services are political appointments that will change in January when the new President takes office. We do not know who the new appointments will be and therefore have no idea what their knowledge or stance is regarding childhood issues.

***State Level***

The state is in much the same position as we are federally.

A house interim study involved child care providers that were disgruntled by all the new regulations.

The 25 by 25 Coalition is an initiative of the Potts Family Foundation to raise Oklahoma to the number 25 among the states for education by the year 2025. The coalition is described in detail in the Public Policy minutes. We have a list of all the legislators involved in the coalition. The board was asked to provide their home addresses so Governance can match them with their legislator. Maybe we can educate them on issues regarding early childhood education.

Karen is connected with a group in Tulsa called The Tulsa Children’s Consortium, a group of lobbyists that can benefit OCCRRA. They held a legislative breakfast for Tulsa Legislators and several attended. There was some talk about early childhood, child care issues, and budget cuts to licensing and R&R. Leaders from Tulsa from different areas presented. The Legislators were engaged and asking questions. There was a lot of focus on the Mental Health Association. They were asked what can be done in Oklahoma and the main consensus was to accept Medicaid expansion. The head of the Tulsa health department said that they can’t do more with less. That is the reality.

**Resource Development Committee**

Did not meet this quarter.

**Executive Director’s Report (Paula Koos)**

***Holiday Hours***

The OCCRRA offices will be closed over the holidays. Staff will use leave to make this happen. Calls will be forwarded to the call center and email is checked on a regular basis.

***Budget and Contract Expectations***

OCCRRA and the regions took a 10% cut this year and have still managed to meet contract requirements. They have worked really hard to maintain services and to provide the same amount of work that was being done previously. All of this is being done with less money and in some cases less staff.

It is important to remember that OKDHS has taken many cuts and removed staff but have continued to support us. There is no question that they value our work. They have asked us to take on services they were previously providing for Technical Assistance. Although we are only touching 3% of the providers in the state it shows true quality work. This year we are focusing on Core Competencies and ERS making 3 or 4 visits to a provider that will hopefully increase quality. We were initially asked to focus on 1 STAR and 1 STAR plus providers to help them increase STAR levels. We now work with all STAR levels. The paperwork can be overwhelming for the provider. We are providing a valuable service.

***ECE Shared Services***

Paula has been working on implementing the Shared Services model for the past two years. Others are beginning to take interest. The software package can be customized to the state and all child care programs can have access. If child care providers serving 50-75 children sign up, they will save approximately $9,000 per year. The program has business documents and templates that can help them tremendously. ECE came in a week before the board meeting and made two presentations. Sunbeam Family Services has applied for a second Early Head Start - Child Care Partnership grant and are willing to assist us to get this program if the grant is awarded to them. We may be able to get some ground funding that will support the program. It will require a small registration fee to the providers of $10-$25 per year after the first year of participation. If 40% of providers sign up the program will become self-sustaining after three years.

***Work Life Systems***

This database program was discussed earlier in the meeting during Finance Committee. There is no question it would help us tremendously. Unfortunately, it is more expensive during a time when funds are questionable to support the systems we already have in place.

***Statewide Meeting***

The Statewide Meeting to discuss Technical Assistance took place in November. The important thing is that we are having fewer and fewer statewide meetings as the budget gets tighter. We must find a way to make this happen at least once per year. It is very beneficial to the network. There has been a feeling of disconnect over the past few years as our meetings come fewer and farther between. It is good to share where we each are financially as a whole and regionally with all staff. Keila, Stephanie and Sharon have absorbed the bulk of Marti’s position and are working together to achieve the same goals.

**Old Business**

***Strategic Plan***

The dashboard was given to the board for review with comments made at each board meeting and comments made by the Executive Director.

There are a dozen goals that are not met; 5 or 6 if you remove the duplicates. We want to rework the strategic plan early in this next year. The board decided to table those items remaining on the strategic plan for discussion during the meeting and a decision to keep, change or remove each item. There are a variety of factors that have changed since the original plan was created.

**New Business:**

***2017 Meeting Dates***

New meeting dates were presented to the Board of Directors. The meetings have been moved from Wednesdays to Thursdays to accommodate all board members. There was a correction to the dates presented, Michelle made note. The Board Meeting date reminders will be sent out in January. Committee Meeting reminders will be sent to everyone once committee assignments are complete for 2017.

***Strategic Planning Workshop***

There will be two sessions. The first session will have the board, regional managers and OCCRRA staff. The second session will be the board only to clean up and make final decisions. Several dates were presented with January 27th and February 24th as the final decision. These dates will be confirmed with the consultant and a confirmation email sent to everyone.

**Executive Session**

The session lasted from 11:36-11:43am.

**Announcements**

none

There being no further business ***the meeting adjourned to lunch at 11:45am*.**

Recorded by, **Respectfully Submitted by,**





Michelle Miller **Stephanie Makke**

Recording Secretary **Board Secretary**