

Audubon Area Community Services, Inc.
Board of Directors
ANNUAL MEETING
MINUTES
December 16, 2008

The annual meeting of the AACCS, Inc. Board of Directors was held at 7:15 p.m. on Tuesday, December 16, 2008, at Owensboro Christian Church's Community Room. Following dinner, AACCS, Inc. Board Chairperson Mr. Jerry Manning called the meeting to order and welcomed the Board, staff and guests.

Members Present:

Mr. Dudley Atwell**	Mr. Paul Lashbrooke	<i>Mr. Doug Smith</i>
Rev. David Combs	Rev. Jerry Manning	Mr. M. Douglas Smith
Ms. Janie Drury	Ms. Debbie McClanahan*	Ms. Allison Stull
Judge Reid Haire	Mr. Thomas Platt	Ms. Vicki Tinsley
Mr. Marshal Hatfield	Ms. Betty Rucker	Ms. Charlotte Vandgrift**
Ms. Daisy James	<i>Mr. Keith Sanders</i>	Judge Larry Whitaker
Ms. Joanne Kendall**	<i>Ms. Helen Sears</i>	

Key: **Bold** = Officer/Executive Committee Member *Italics* = Ex-Officio Member
*Alternate – Member not present **New Board Member

Alternates Present with their Members (5):

Mr. Steve Hatfield **	Dr. Sandra Obilade	Mr. Hugh Smith
Ms. Jeanette Manning	Mr. Robert Pruitt**	

Staff Present:

Ms. Carrie Blackham, CCAP Director	Mr. Dan Lanham, GRITS Director
Ms. Sheila Boling, Weatherization	Mr. Ronald Logsdon, Executive Director
Ms. Cheryl Gatton, HR Director	Ms. Denise Marcum, Executive Assistant
Ms. Cathy Lamar, Counseling Services Director	Ms. Robyn Mattingly, SSC Director
Mr. Aubrey Nehring, Head Start Director	Mr. Byron Mayes, Chief Financial Officer

Guests Present:

Mr. Robert Blackham	Ms. Paula Lamar	Ms. Lillie Pruitt
Mr. Glen Calhoun	Ms. Emma Lashbrooke	Ms. Carol Smith
Ms. Donna Calhoun	Ms. Lyminnda Lewis	Ms. Debby Spencer
Mr. Steve Drury	Ms. Carol Maillet	Mr. Gilbert Vandgrift
Mr. Joe Gatton	Mr. Randy Mattingly	Ms. Dianne Wallace
Ms. Laura Hayden	Mr. Jesse Mountjoy	Ms. Anna Winkler
Ms. Donna Howard	Dr. Tony Obilade	Mr. Robert Winkler
Mr. Roy James	Ms. Willie Platt	

UNFINISHED BUSINESS

Mr. Logsdon stated there was no "old" or unfinished business coming before the Board.

NEW BUSINESS.

Administrative Committee Recommendations. The executive director briefly reviewed the business items that came before the December 4, 2008 meeting of the Administrative Support Committee: The Head Start Dual Language Institute \$8,851 grant request, changing the Internal Auditor position to an

exempt position, approving the 2009 Strategic Work Plan, approving the Consumer and Private Sector Board members for the coming term, and approving (as agent for the Daviess County Public Improvement Corporation) a “Deig Brothers” contract change by contract to reduce the “retainage” on the Fifth and Foust building project to 5%. (It was originally 10%.) He said, too, that the Committee had a report on the closing with National City Bank/Community Development Association on the Owensboro Regional Recovery tax-credit Limited partnership Agreement. In addition, the Committee reviewed a job description for the Independence Heights residential manager and approved it to be graded at Hourly Grade 6 — noting that the compensation includes a rent-free apartment with utilities. Independence Heights is a new project that adjacent to Seven Hills School in Owensboro; it will be opening early in 2009.

Committee Chair Judge Whitaker noted that all of the foregoing items come on Administrative Support Committee recommendation to the Board for approval.

Judge Whitaker made a motion to approve the Head Start Dual Language Institute grant request, the Internal Auditor position change to “exempt” status, the 2009 Strategic Work Plan, the seating of the new 2009 Consumer/Private Board members, the “retainage” reduction for the Fifth and Foust construction contract, and the position grading for the Resident Site Manager/Services Coordinator at Independence Heights. Mr. M. Douglas Smith seconded the motion. Motion approved.

Judge Haire, Daviess County Judge/Executive and principal of the Daviess County Public Improvement Corporation, asked about the cost of the new office building at Fifth and Foust. Mr. Logsdon said that the original contract was just over \$3.7 million. With a subsequent change order that will add \$50,000 or \$55,000 dollars, the current construction contract total will be just over \$3.8 million.

Child and Family Committee Actions. The Board’s Child and Family Committee met on November 4, 2008, and in addition to its oversight work for programs under its jurisdiction the Committee also took action to recommend one item for Board approval. Mr. Logsdon informed the Board is required now by federal law to approve the By-Laws (and subsequent amendments) for the Head Start Policy Council. The Committee reviewed the AACS Head Start Policy Council’s By-laws and is recommending those By-Laws for AACS Board approval.

Ms. James made a motion to approve the Head Start Policy Council By-laws. Ms. Betty Rucker seconded the motion. Motion approved.

Community Support Committee Actions. Mr. Logsdon advised that the Community Support Committee met on December 4, 2008 and was making some recommendations to the Board. The first item regards the augmentation to the Weatherization Assistance Program’s FY2009 budget. A significant increase was provided for all Weatherization programs nationwide in the Continuing Resolution (through March 5, 2009) that the United States Congress and the President approved last fall. The Weatherization appropriation was virtually doubled. As a result of that “CR,” the AACS Weatherization program has since then almost doubled. The Committee recommends full Board approval for the \$545,515 FY2009 Weatherization Assistance Program budget and proposal. In addition, GRITS has submitted a \$100,000 grant proposal for “The State of Good Repair” grant funding, which the Committee recommends to the Board. Specifically, the Board needs to adopt the requisite Authorizing Resolution and the Local Share Resolution, which are submitted to the Kentucky Transportation Cabinet with the funding proposal.

On behalf of his Committee, Mr. Marshal Hatfield moved to approve the \$545,515 FY2009 Weatherization Assistance Program budget amendment (augmentation) and the GRITS \$100,000 “State of Good Repair” grant-application-required Local Share Resolution and Authorizing Resolution. Ms. James seconded the motion. Motion approved.

Community Services Committee Actions. Mr. Logsdon stated the Community Service Committee had met on November 18, 2008 and recommended the array of local funding requests totaling \$145,276 that the AACS Senior Service Corps was submitting to the local fiscal courts, cities and the two local United Ways. These local-share (required non-federal share) requests are for the Foster Grandparent Program, the Retired and Senior Volunteer Program, and the Senior Companion Program and the hundreds of local volunteers these programs support throughout the Green River Area.

On behalf of his Committee, Rev. David Combs moved to approve the Senior Service Corps FY2009 Local Funding Requests. Mr. M. Douglas Smith seconded the motion. Motion approved.

Nominating Committee Actions. Mr. Logsdon noted to everyone that the November 25, 2008 Nominating Committee minutes had been mailed out to everyone in advance of the Annual Board Meeting. The Nominating Committee proposes the following slate of officers to serve the Board in 2009:

Judge/Executive Reid Haire — AACS Board Chair
Mr. M. Douglas Smith — Vice Chair
Ms. Daisy B. James — Secretary

Each proposed officer was formally presented to those gathered for the meeting.

Mr. Thomas Platt moved to approve the recommended slate of 2009 Board officers by acclamation – Chair: Judge Reid Haire, Vice Chair: Mr. M. Douglas Smith and Secretary: Ms. Daisy James. Ms. Betty Rucker seconded the motion. Motion unanimously approved.

2007-2008 Chairman's Remarks. Mr. Logsdon noted that before turning over the gavel the outgoing Chairman usually has a few words of the past year.

AACS Board Chair Rev. Jerry Manning presented the following summary to the Board for AACS' 2008 year:

“When we met this time last year, I think that one of the things that I said was what AACS would do this year is “take off like a roman candle,” and what the year 2008 has been. And all of you are to be commended for what you have done.

“So much has been accomplished, accomplished by and through you, the Senior Staff and the employees of AACS. I appreciate all of the effort, endurance and perseverance you have put forth this year. I thank you and the members of the Board for allowing me to be the chairperson in 2008. I have learned so much from each of you this year.

“I believe AACS is stronger than it was last year. And we don't become strong by remaining in our comfort zone all the time. We may not like adversities and challenges but they cause us to be stretched. Stretching makes us think and act and is necessary for us to grow. AACS sees opportunities where others see obstacles. AACS sees possibilities where others see only problems.

“I have noticed with all of you, it doesn't matter who gets the credit as long as the job gets done. You have a tremendous attitude of team work. Your attitude is ‘no one gets to first base alone.’

“I want to encourage AACS that it doesn't matter where you start or what you go through. It just matters where you finish.

“Remember this, what you do not value, will not be valued, what you do not remember, will not be remembered, what you do not change, will not be changed, what you do not do, will not be done. God does not always call the qualified, He qualifies the called.

“I wish you the very best, personally and professionally in 2009.”

Chairman Manning then asked Ms. Blackham to present the 2008 Annual Report.

2008 Annual Report. Ms. Blackham told the Board that this year, the annual report theme was that of “a year of growth,” and that is exemplified by the six building projects that AACS had — some of which are still ongoing. GRITS significantly increased its programming with the acquisition of the thirteen-county Medicaid transportation “brokerage” contracts, and so did the *KentuckyWorks* Program (KWP), which she manages. The format for the 2008 report is a very similar to last year’s annual report. There is still the calendar format, because it is very useful to staff.

The primary difference between the reports was that last year it was departmentally focused and this year it focuses on the individual programs in each department. Ms. Blackham said that she thought it would be very useful reference to everyone, including AACS’ far-flung staff. Again this year, the annual report will be given out to each employee so that they have no reason not to know every program and service that AACS offers. Ms. Blackham stated that if anyone had any questions they would know to contact the person in that program/department. Mr. Logsdon thanked Ms. Blackham for once again taking on and magnificently leading to it timely and wonderful completion the *2008 Annual Report*. Ms. Blackham stated that all of the senior management team helped put together the *2008 Annual Report*.

Mr. Logsdon pointed out near the back of the annual report the “resources summary,” one of *two* financial pages. One of them is the Special District report, which is a cash-in and cash-out kind of report only for the agency proper. The Financial Resources Summary, though, includes all of those other things, like all of the new tax credit projects that the agency already has up and running or going to be up and running very soon. Too, the agency’s investment accounts, retained reserves, and more, it and all else accounted for. Altogether, the agency was responsible for over is \$80 million in resources last year, though that does include some \$16 million in tax credit projects — the Learning Villa, Horizon Place, and Independence Heights. It does not include the more than \$8 million project that was just closed on December 5th, 2008 for Owensboro Regional Recovery, he said.

The previous year brought about some of the most extraordinary things in the history of the agency, said Mr. Logsdon. But if there had been a problem with the year, it is probably this: Mr. Logsdon said he hoped he and the agency would never again take on quite as much at one time! It has been really taxing on the agency to try to do all of those projects at the same time.

Still, as Rev. Manning told the Board when it met this time last year, AACS did this year “take off like a roman candle,” and what a year 2008 has been! And all of you are to be commended for what you have done, said Mr. Logsdon. So much has been accomplished, accomplished by you and through you: the Board, the Senior Staff, and the employees of AACS. Mr. Logsdon said that he appreciated all of the effort, endurance and perseverance they had put forth this past year.

Rev. Manning again thanked the members of the Board for allowing him to be the chairperson in 2008.

Chairman’s Recognition and Gift of Appreciation. Mr. Logsdon presented Mr. Manning a gift from AACS. He stated that Rev. Manning has been to virtually every AACS Board Committee meeting and that despite him living in Morganfield and all meetings being held in Owensboro.

Incoming Chairman’s Acceptance. Mr. Logsdon presented Judge/Executive Reid Haire, AACS’ 2009 Chairman for any remarks he might like to make. Judge Haire stated that he would first like to recognize Rev. Manning for his commitment and diligence to the agency.

Judge Haire stated that AACS is a marvelous organization, one he has been proudly involved with since he became Daviess County Judge/Executive. AACS spans the whole region, touching many people and many lives, he said.

Rev. Manning has ably “led the ship” this past year, he said, and Judge Haire said that he is looking forward to working with the Board and the staff in the coming year.

Plaques of Appreciation for Out-going Board Members. With the assistance of Rev. Manning, who actually presented the plaques while Mr. Logsdon called their names, plaques of appreciation were presented members present who would be leaving the AACS Board.

Present to receive their plaques were: Mr. Glen Calhoun, Owensboro Branch NAACP; Ms. Donna Howard, Daviess County Consumer Representative; and Ms. Anna Winkler, Immediate Past Chair of the Head Start Policy Council. Plaques will also be sent to the other departing Board members not present at the Annual Meeting.

New Board Members. Mr. Logsdon also announced the names of the new members coming on the Board and introduced those new members and alternates who were present: Mr. Dudley Atwell, Mr. Steve Hatfield, Ms. Joanne Kendall, Mr. Robert Pruitt, and Ms. Charlotte Vandgrift.

ANNOUNCEMENTS & REPORTS

Mr. Logsdon stated there were some announcements he needed to make. This is some late-breaking news happening at AACS that he wanted to make everyone aware of. Too, a packet of information was distributed to those present that related to some of those announcements.

Federal Home Loan Bank / President’s Place. The very first thing of special note, he said, from the Federal Home Loan Bank Board of Cincinnati. As noted earlier, AACS is getting involved in several tax credit projects, and another one has just been approved for funding by the Federal Home Loan Bank Board. The decision on awarding tax credits is awaiting Kentucky Housing Corporation (KHC) action right now. It is an \$8 million project and it is called President’s Place. If it is approved for tax credits, it will be built behind The Springs in Owensboro off of Highway 54 East. The Federal Home Loan Bank of Cincinnati has already awarded AACS a \$599,880 grant on that project. They think it’s a good project and we hope that KHC will think it’s a good project as well, said Mr. Logsdon.

LIHEAP. Mr. Logsdon stated that AACS was between the LIHEAP Subsidy Component and Crisis Component seasons. LIHEAP, like the Weatherization program, has nearly doubled in resources this year. He referenced a report in the handout and shows what the agency had done under the 2008 *Subsidy* program, which operates under Ms. Lamar’s Counseling Services Department. From early November through December 12, her department assisted 4,269 families with \$553,264 in energy assistance.

Early in January of 2009, the *Crisis* program will open. The agency will be helping more families with additional assistance. Ms. Lamar said that the Crisis Component would open on January 8, 2009. Mr. Logsdon stated the program will provide assistance through the end of March or until the money runs out.

AACS Sued in Logan Circuit Court. Mr. Logsdon pointed out the next page of the meeting handout. One of the Medicaid transportation subcontractors out of Russellville, Kentucky, was driving a client to Nashville. The vehicle ran off the road and the woman, Samantha Ford, was thrown out of the vehicle. This was a very unfortunate thing that occurred. The woman has sued the subcontractor and its driver, AACS and the Department of Transportation. Mr. Logsdon pointed out that the letter was from the firm (Kerrick, Stivers, Coyle & Van Zant, PLC) that is representing AACS’ insurance company and advising us that they don’t think that will reach us and that the subcontractor’s insurance is going to take care of it.

HouseWorks Contract Modification. Mr. Logsdon informed the Board of the modification of the *HouseWorks* contract that he had signed. A copy was provided in the meeting handout. The amended contract has gone to KHC but the fully executed copy is not yet back from them.

The Learning Villa. Mr. Logsdon shared the nice article from the *Messenger-Inquirer* about the Christmas party held at The Learning Villa.

IRS 990 Nonprofit Report. Mr. Logsdon stated that AACS is now ever more accountable to the IRS for the agency's non-profit status. The IRS is, it seems, really tightening down on non-profit reporting. Sometime in February 2009, Mr. Logsdon said that he expects that AACS will be receiving its "990" report from the independent auditors. This year *for the first time*, it does require Board review and Board approval prior to its submission to the IRS.

WellPoint Portfolio. Mr. Logsdon stated that the final thing in the handout had to do with the agency having a little over 40,000 shares of WellPoint stock. In October of 2007, that portfolio was worth about \$3.7 million, and the agency made a lot of commitments last year because it had that \$3.7 million in hand. But last year through November 20, 2008, the agency lost over \$2 million in value in that account, due primarily to the near collapse of the stock market.

Mr. Logsdon said that he and the Investment/Oversight Committee were meeting regularly with the advisors from BB&T. Efforts are going forward to bolster and diversify the agency's portfolio. Probably the best way we're going to be able to do that is through the market itself advancing, he said. But it is very important to us to do all we can to grow back that account back because it serves as a "financial anchor" for AACS. Mr. Logsdon stated that he just wanted to make everyone aware of the upside and downside of the agency's stock portfolio.

Mr. Logsdon announced to the members of the Investment/Oversight Committee and Mr. Mayes, CFO, that there will be a Committee meeting at 9:00 a.m., Friday, December 19th. Mr. Logsdon also announced that anyone is welcome to attend the Committee meeting.

Thanks to the Staff. Mr. Logsdon asked for the Senior Staff to stand and then thanked them for a fine job they had done for this year. Mr. Logsdon also thanked Rev. Manning, all the officers, Committee Chairs and all board members. He also gave special recognition and thanks to Denise Marcum, executive assistant.

Rev. Manning asked if any of the senior staff had any comments. There were none.

ADJOURNMENT

There being no further business ...

Mr. M. Douglas Smith made a motion to adjourn the December 2008 Annual Board of Directors meeting. Mr. Marshal Hatfield seconded the motion. Motion approved.

Without objection, the meeting adjourned at 7:50 p.m.

Mr. Jerry Manning
Chairperson of the Board