

Audubon Area Community Services, Inc.

**Board of Directors Meeting**

**MINUTES**

August 18, 2009

The AACCS, Inc. Board of Directors gathered for dinner at 5:15 p.m., Tuesday, August 18, 2009, at the 1700 West Fifth Street office in Owensboro. At 5:55 p.m., following dinner, AACCS, Inc. Board Chairperson Judge Reid Haire called the meeting to order and welcome the Board and staff.

**Members Present (15):**

**Ms. Allison Crisp**  
**Ms. Janie Drury**  
Mr. Keith Free\*  
**Hon. Reid Haire**  
Mr. Paul Hart

**Mr. Marshal Hatfield**  
**Ms. Daisy James**  
**Ms. Joanne Kendall**  
Mr. Paul Lashbrooke  
**Rev. Jerry Manning**

Ms. Debbie McClanahan\*  
Dr. Sandra Obilade\*  
**Ms. Betty Rucker**  
**Mr. M. Douglas Smith**  
Mr. Sam Smith\*

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

**Ex-Officio Members (4):**

*Ms. Margaret Bailey*, Early Childhood Development Advisor/Consultant  
*Ms. Nelda Barnett*, Ex-officio Vice Chairperson for Senior and Community Services  
*Mr. J.D. Meyer*, Ex-officio Vice Chairperson for Substance Abuse/Owensboro Regional Recovery  
*Mr. Jesse Mountjoy*, Board Counsel, *Sullivan Mountjoy Stainback & Miller*

**Alternates Present with Member (5):**

Mr. Frank Craig                      Ms. Jeanette Manning                      Mr. Hugh Smith

**Staff Present:**

Ms. Sheila Boling, Weatherization Director                      Ms. Denise Marcum, Executive Assistant  
Ms. Cheryl Gatton, HR Director                                      Ms. Robyn Mattingly, SSC Director  
Mr. Dennis Hagan, Chief Information Officer                      Mr. Byron Mayes, Chief Financial Officer  
Mr. Dan Lanham, GRITS Director                                      Mr. Aubrey Nehring, Head Start Director  
Mr. Ronald Logsdon, Executive Director

Judge Haire welcomed and thanked everyone for attending the meeting and declared there was a quorum present.

**CONSENT AGENDA**

Judge Haire called for approval of the Consent Agenda. The only items on the Consent Agenda were the minutes from the Board's June 16<sup>th</sup> meeting and the June 2009 agency-wide financial summary.

*Mr. M .Douglas Smith made a motion to approve the June 16, 2009 Board Meeting Minutes and receive the June 2009 Financial Statement. Rev. Manning seconded the motion. Motion approved.*

## OLD BUSINESS.

**FY2009 Bank Reconciliations.** Mr. Mayes informed the Board that the bank reconciliations were completed and currently under his review. He felt like he could assure the board that that work was now current — and he would assure that it would remain so.

**FY2009 Audits — *Organization-wide.*** The close-out of the June 30, 2009 (FY2009) fiscal year was currently underway, he said. The independent auditors from Alexander & Company were already “in the building” now, as opposed to later in the year as last year. Ms. Cassie Johnson with Alexander & Company is working on a daily basis on preparatory work, doing tests, and compiling data for the organization-wide audit.

***Lincolnshire Apartments / Lincolnshire North Apartments.*** For Lincolnshire and Lincolnshire North apartments, whose audits are done before the agency-wide audit, the trial balances were prepared and ready. Mr. Mayes stated he had gone through the bank reconciliations for the Lincolnshire accounts and had gone over their trial balances, which appeared to be in order. Those two audits are well underway.

## NEW BUSINESS.

**Administrative Support Committee.** The minutes of the Administrative Support Committee’s July 24<sup>th</sup> meeting were included in the August Board Booklet. The following items came to the Board with recommendations for approval:

**FY2010 Low-Income Home Energy Program (LIHEAP) Contract, CAK-AACS.** Mr. Logsdon advised the Board the LIHEAP subcontract from Community Action Kentucky (CAK) was in the August Board Booklet mailed to all members prior to the meeting. There are three Board action items concerning the Low-Income Home Energy Program contract: 1) the Board must certify that it has approved the agency’s written procedures and processes for the procurement of goods and services under the LIHEAP subcontract, 2) it should adopt the agency’s Statement of Confidentiality (included in the meeting handout) with respect to recipients of services under the LIHEAP subcontract, and 3) each Board member must execute Vendor Disclosure Statement with respect to any potential LIHEAP-related conflict of interest. The LIHEAP contract came very early this year, said Mr. Logsdon, but it is most assuredly a *preliminary* contract since it is a very small amount compared to what AACS normally receives in LIHEAP funding — probably awarding leftover funds from the prior LIHEAP season, he said.

Mr. Logsdon noted the statement that every Board member needed to sign and return. If anyone has a conflict of interest with the LIHEAP program, if they’re a shareholder in a vendor firm, for example, they are required to disclose that — or if they own an interest in a business providing bulk fuels, they are required to disclose that as well. The handout packet also included supplemental information of the operation of the 2009-2010 LIHEAP program. The final piece in the handout was the Statement of confidentiality. Mr. Logsdon stated he was advised by staff earlier that day the state is now asking AACS to sign “a” confidentiality agreement, so the Board members are now being asked to sign the agency’s statement. Judge Haire asked Mr. Mountjoy if he saw any problem with the Confidentiality Statement. Mr. Mountjoy said no, it was clear and comprehensive.

*Ms. James made a motion to accept the FY2010 Low-Income Home Energy Program subcontract between CAK and AACS and specifically move the Board’s approval of the confidentiality and procurement requirements/certifications of that agreement. Mr. M. Douglas Smith seconded the motion. Motion approved.*

**Lincolnshire and Lincolnshire North By-Laws Amendments.** Except for the Lincolnshire/Lincolnshire North names in the two sets of revised By-Laws, they're identical word for word, said Mr. Logsdon. (Only one set was included in the August Board Booklet.) Those By-Laws have just been updated to eliminate some concerns of the Board Chair. Mr. Logsdon said that he believed that the changes had accommodated all of those concerns. The Administrative Support Committee did review these and recommends Board approval of the revised By-Laws.

*Ms. Rucker made a motion to approve the revised Lincolnshire Apartments, Inc. and Lincolnshire North Apartments, Inc. By-Laws Amendments. Mr. Hatfield seconded the motion. Motion approved.*

Mr. Logsdon advised that the By-Laws would then be presented to the Lincolnshires' Board at their respective October meetings for their respective approvals. Once approved, they would be submitted to HUD.

**FY2010 Strategic Thinking – Board Input.** Mr. Logsdon advised that the Administrative Support Committee had provided its input on the 2010 “strategic thinking” piece and the 2010 Strategic Work Plan. Mr. Logsdon said he and the staff wanted to get some input from the Board on its issues or concerns so that can be fed into the 2010 strategic planning process. Mr. Logsdon specifically pointed to page 20 of the Board Booklet where the Committee had discussed some of its ideas and recommendations.

The Administrative Support Committee's focus was mainly about succession planning. There are two succession plans in the organization. One is for regular succession where there is a planned departure from the agency of a key employee. The second one covers an emergency situation if someone leaves unexpectedly. The concerns from the Committee were (or appeared to be) more about his retirement from the agency, he said.

Mr. Logsdon said he wanted to offer the same opportunity at this meeting for other Board members to offer any suggestions, ideas, or comments that could be fed into the strategic planning process for this year. Mr. Logsdon also said he and Senior Staff would begin work on a 2010 Strategic Work Plan. He hoped some work could be done by the next Board meeting and a preliminary outline could be ready by the October meeting, but by the Board's December 2009 (Annual) meeting the staff would come back to the Board with a proposed work plan for 2010.

Judge Haire asked whether this was done last year and would it be possible to get a copy of the 2009 strategic plan to see which things were accomplished this year. Mr. Logsdon said yes.

Judge Haire reminded the members that *this* year, due to the American Recovery and Reinvestment Act of 2009 (ARRA), AACS has had a “big difference” in the amount of revenues that were received. There is a lot of reporting with the “stimulus” dollars — and those may change (go away) over the next several years. We probably need a strategic plan to incorporate those “stimulus” dollars, how we're dealing with them, and how we'll be dealing with the *lack* of them several years from now — how the agency prepares for *the buildup* and then having its funding level to *recede back down* again.

Mr. Logsdon stated a good number of those dollars will end during the next calendar year because the formal end of the ARRA funding is set for September 30, 2010, although some programs are continuing beyond that. For example, Head Start is going to be funded for two school years which will go beyond September 30, 2010. Weatherization is going to be a 30-month program. How are they going to stretch that out for 30 months? He didn't know, but the states are doing it nationwide. Some of the ARRA programs will continue, but most of them will end September 30, 2010. It's definitely a topic that requires some planning, he agreed.

Mr. Logsdon noted that in the back of the Handout Packet there is a limited approval letter from the Cabinet for Health and Families that related to the CSBG portion of the agency's ARRA funding. At the bottom of the front page, where they're talking about the five ARRA positions, the Cabinet wants to know how AACS is going to sustain those positions or what its plan is to help these people transition out of that (ARRA-funded) employment into other employment at the end of the "recovery" program.

Mr. Logsdon also stated again that there would be some feedback for the Board by the October 2009 meeting. Then between the October and December meeting, there would be mailings or e-mailings sent to the Board on additional progress. At the December 2009 Annual Meeting, staff hope to have the 2010 work plan ready for Board approval. Mr. Logsdon noted that the Board's input was not limited to tonight's meeting; any input from the Board is **always** welcome!

**Child and Family Services Committee.** The minutes of the Child and Family Committee's July 2<sup>nd</sup> meeting were included in the August Board Booklet. The following items came to the Board with recommendations for approval:

**Head Start 2009 Self-Assessment and Improvement Plan and Program Objectives and Strategies 2009-2010.** Mr. Nehring informed the Board the Head Start Act of December 2007 was very specific about increasing the knowledge and responsibility of the Board in things that had ever before been done with the Head Start Policy Council. Head Start staff reviews these plans every year with the Policy Council, which has always approved these items. The August Board Booklet has the full text of the AACS Head Start's Self Assessment and Improvement Plan. This plan involves all of the programs in Head Start and all of its areas, said Mr. Nehring. Each of them goes through the self assessment process, in which they identify what areas they have strength in and what areas are needed for improvement. Those are recorded in this plan.

The plan also includes an *action plan* where they've identified exactly how they're going to address those issues. Head Start has created action plans to go with the actual self-assessment "findings" that staff are in the process of implementing and recording on. Based upon this data, as well as a whole series of other data, Mr. Nehring said, Head Start has been asked to identify short and long term objectives. AACS Head Start has its Strategic Plan, which has been underway for the past three years (and will go through 2010); that represents the program's long-range plans. Mr. Nehring pointed out those being listed on page 85 of the August Board Booklet.

There is a comprehensive set of program objectives and strategies, he said. There are three sections to this. The first section is the Head Start Strategic Plan, a plan specifically for Head Start. The second section is the Program Improvement Plan. Those are both things being addressed program-wide in the agency on a one-year length basis and those elements that are to be corrected and those will be addressed over a yearly or multi-year basis. In connection with that, Head Start has been required to do its own training and technical assistance plan. So this document also has a third section that outlines the training and technical assistance that AACS Head Start will be doing for the current 2009-2010 program year.

The Self Assessment and Improvement Plan is a thorough document which addresses a lot of things, said Mr. Nehring. Staff are responsible for monitoring that in terms of its administration. Judge Haire asked concerning the Self Assessment / Improvement Plan, if there would be an evaluation of the accomplishments. Mr. Nehring said yes, this year AACS Head Start is creating an online data base on Head Starts' website. Information will be collected from all of the individuals that participated. They will report on the status of the implementation of every item in here and those reports will be available online. Judge Haire stated that the Board would be approving the Self Assessment and Improvement Plan and there would need to be an agenda item at some point in the next twelve months for the board will need to see with the results of that approval.

*Ms. James made a motion to approve the 2009 Self Assessment and Improvement Plan and Head Start's Program Objectives and Strategies 2009-2010. Rev. Manning seconded the motion. Motion approved.*

**Community Services Committee.** The minutes of the Community Services Committee's July 21<sup>st</sup> meeting were included in the August Board Booklet. The following items came to the Board with recommendations for approval:

**Senior Service Corps' 2010 United Way Funding Contracts.** Mr. Logsdon noted that the Senior Service Corps funding recommendation letters and the 2010 Contract were included in the mailed out August Board Booklet. The proposed funding levels from the United Way of the Ohio Valley for the respective Senior Service Corps programs were outlined on page 121 of the mailed-out booklet:

Foster Grandparent Program (FGP)	\$21,500
Retired and Senior Volunteer Program (RSVP)	\$12,650
Senior Companion Program (SCP)	\$25,800

The other United Way contracts come from the United Way of Henderson County — and there are actually two separate ones, one for SCP and one for FGP (identical language in each).

Ms. Mattingly pointed out that the Henderson County United Way funding for Foster Grandparents was \$25,000 and for Senior Companion Program was \$16,000. These contracts should be approved for that amount of funding, she said.

Rev. Manning asked if United Ways wanted a letter from the Board that the respective contracts had been approved. Mr. Logsdon stated that their signed agreements and a copy of the Board meeting minutes had to be submitted by August 31<sup>st</sup>.

*Mr. M. Douglas Smith made a motion to approve the 2010 contract with United Way of the Ohio Valley for FGP, SCP, and RSVP; and further to approve the United Way of Henderson 2010 contracts for FGP, and SCP. Ms. Rucker seconded the motion. Motion passed.*

**Helen D. Sears Family Development Center and West End Day Care Center 2010 United Way Funding Contracts.** Mr. Nehring distributed a letter from the United Way of the Ohio Valley to fund the Helen D. Sears FDC and West End Day Care Center for 2010. The Helen D. Sears FDC would receive \$17,000 and the West End Day Care center would receive \$73,273 in 2010 funding. The United Way of the Ohio Valley contract for these grant awards was also provided to the Board. The language is identical to the contract just approved for the Senior Service Corps programs, said Mr. Nehring, except where this contract states the two Head Start-related programs.

*Mr. M. Douglas Smith made a motion to approve the Contract from United Way of the Ohio Valley for 2010 funding to the Helen D. Sears Family Development Center and the West End Day Care Center. Mr. Hatfield seconded the motion. Motion approved.*

### **New Business *Not* Referred to the Board by a Committee**

**Owensboro Regional Recovery (ORR) Center Executive Director Position Grading.** Mr. Logsdon advised the Board there was a job description for the position of executive director for *that* organization in the Board Booklet. Owensboro Regional Recovery Center is a joint project involving Lighthouse Recovery Inc. and AACS as its co-general partners. The executive director described in this position description will be over the Owensboro Regional Recovery Center, which construction is now over 50% completed; it is due for completion either in late December 2009 or early January 2010. The facility

should be in operation in January 2010, so the partners (Lighthouse Recovery, Inc. and AACS, Inc.) are moving to hire an executive director by October 15, 2009.

The point of the AACS Board action is to get its grading of the ORR Executive Director position, for which a “Grade 32” posting is being proposed by staff. At that pay grade, the position will pay in the range of \$40,000 - \$45,000 per year, he said.

Judge Haire asked if the Board usually approves job descriptions. Mr. Logsdon said no, the Board approves by policy the *grading* of all AACS positions of the AACS on either the Hourly or Salaried Positions classification charts.

*Ms. Kendall moved to approve the Owensboro Regional Recovery (ORR) Executive Director position grading at Grade 32 of the AACS Salaried Positions Classification Chart. Mr. M. Douglas Smith seconded the motion. Motion approved.*

### ***Closed Session on Litigation***

Mr. Logsdon advised the Board that there were matters relating to the Commonwealth v. Terry Payne criminal indictment and impending trial. A letter from the Commonwealth’s Attorney received the previous week outlined a requested “diversion” and settlement by Mr. Payne’s defense attorney. Mr. Logsdon suggested to Judge Haire that the Board should go into closed session to discuss those matters.

*Mr. M. Douglas Smith moved for the Board to go into closed session to discuss the litigation. Ms. James seconded the motion. Motion passed without opposition.*

**Closed Session.** Any record of those proceedings will not be subject to disclosure or inspection.

### ***Out of Closed Session.***

Chairman Haire made a brief summary report of the proceedings held in closed session: Mr. Logsdon presented two handouts to the Board. The first item was a letter from the Commonwealth’s Attorney, with a letter attached from Mr. Pat Flaherty, Mr. Payne’s defense attorney. The other piece was a memo from Board Counsel Jesse Mountjoy, who had reviewed the first documents, made some consultations within his firm, and offered his recommendation to the Board. A period of discussion followed, with many Board members sharing their views and asking questions. The Board Counsel responded to each member’s inquiries and much back and forth discussion occurred among the members concerning the matter under discussion.

*Mr. M. Douglas Smith moved to adopt the recommendation of AACS’ attorney, Mr. Jesse Mountjoy, relative to the proposed “diversion” and monetary settlement of the Commonwealth v. Terry Payne criminal suit, as follows: to communicate to the Commonwealth’s Attorney that Audubon, the victim of Mr. Payne’s criminal activity (fraud), accepts the defense attorney’s proposed disposition of Mr. Payne’s case pursuant to KRS 61.810(1)(c). The Board can decide later whether to institute a civil suit against Mr. Payne on behalf of Audubon. Mr. Craig seconded the motion. Two members opposed. Motion approved.*

## **REPORTS**

**Triennial Federal Review.** Mr. Logsdon advised that the Triennial Federal Review report was in the August Board Booklet. There were “findings” in the report, with the most serious one having to do with the bank reconciliations not yet completed on a timely basis at the time of the late-April 2009 review. A

Quality Improvement Plan was put together in accordance with DHHS/ACY/Office of Head Start requirements and, basically, AACS has already advised the Regional Office that it has done what the finding required pertaining to catching up on the reconciliations. Other than that, it was a positive report. The whole report is in the Board Booklet for everyone to read.

**GRITS Bus Maintenance Facility Funding Announced.** Mr. Logsdon told the Board that Second District Congressman Brett Guthrie and First District Congressman Ed Whitfield were able to shepherd through Congress an “earmark” grant of \$1.35 million to build a bus maintenance facility for GRITS.

Mr. Lanham said this was something GRITS had applied for a couple of times in the past year. “We were optimistic yet shocked that this happened. Congressmen Guthrie and Whitfield were able to get this included in the HUD appropriations,” he said. “GRITS had *two* proposals in front of them and we’re not sure what direction we are going to get from this.” One proposal was to construct a new facility and Mr. George Collignon work up a budget and he put together a drawing that shows a potential facility. We also looked at an existing facility in Owensboro that could house GRITS’ maintenance facility. It could allow GRITS to dispose of the agency’s Ninth Street property that presently houses GRITS’ administration and storage. GRITS has to go somewhere else because it will not have maintenance space at the new parking garage downtown. When GRITS actually gets the money, and that may take a while, he said, the project can get underway. We are thrilled to be able to get this, he added.

**Weatherization’s Davis-Bacon Act Requirements.** Mr. Logsdon said the ARRA-funded Weatherization Assistance Program is now a 30-month program and will be able to spend up to \$6,500 per home. By virtue of that amount that can now be spent per home, Weatherization is now *in excess of the waiver* contained in the Davis-Bacon wage act. AACS is now going to have to pay those federally required wages. But staff aren’t exactly sure what those wages are going to be because the Department of Labor has not yet returned the Kentucky study that tells grantees exactly how much they have to pay.

Probably at the October Board meeting, staff will be coming back with a proposed personnel policy revision for AACS because the Davis-Bacon law *requires* that those wages be paid *weekly*. Employees at AACS are paid bi-weekly. It is a matter of law and it has been since 1935 that they have to be paid weekly. Mr. Logsdon also said that as best as he could tell AACS was on top of the issue.

Mr. Lashbrooke asked if each county had its own wage rates for this particular Act. Mr. Logsdon noted when that report comes back from the Department of Labor (DOL) and if it’s broken out by county, that’s exactly the way AACS will have to do it. The staff does not know what it’s going to look like, whether DOL is going to look at it more generically, i.e., statewide or as other such schedules are done on a county-by-county basis. Ms. Drury asked if this was a prevailing wage. Mr. Logsdon said yes; there are two prevailing wages. There is a federal prevailing wage and a state prevailing wage. The staff isn’t yet sure which one of those AACS is going to have to pay. Mr. Lanham has said the state rate was much higher than federal.

**The Learning Villa – Land Use Restrictive Covenants.** Mr. Logsdon said AACS had to execute an extended land-use agreement with Kentucky Housing Corporation for this (and any) tax-credit project. This agreement just binds the agency for a period of thirty (30) years to maintain the “affordability” requirements of the low-income tax-credit affordable housing.

**Owensboro Regional Recovery Center — Progress Update.** Mr. Logsdon noted to the Board there was a rather current photo of the Center’s construction progress was included in the Board Booklet. Mr. J.D. Meyer said the center is 62% complete. He invited everyone to come out and do a walk-through.

**AmeriCorps\*VISTA Monitoring Report and Response.** Mr. Logsdon said this monitoring resulted in a pretty good report. The only serious thing concerned the \$15,000 subsidy that AACS was receiving for Ms. Lamar’s salary. AACS was advised that, by AmeriCorps regulations, the agency could *not* charge

indirect cost against that funding. Indirect cost is charged against every other salary wage expense in the agency. Mr. Logsdon said the agency told them, “Thanks, but no thanks.” That \$15,000 of Ms. Lamar’s salary is now coming out of the CSBG program where AACS can charge indirect cost.

**IRS Form 990 — *Required Written Policies.*** Mr. Logsdon said AACS is looking at several new policies that need to be adopted at AACS because the IRS form 990 is now inventorying for those policies – does your agency have this policy and have that policy. The inventory of policies AACS has and AACS needs is in the Board Booklet and later there will be those needed new policies developed and presented to the Board to be approved, he said.

**KHC Emergency Shelter Grant Recapture.** Mr. Logsdon told the Board this grant would have helped to subsidize young people that were “aging out of the state foster care system” and placed at Independence Heights. The grant was returned to Kentucky Housing Corporation because there have not yet been referrals from the foster care system for those youth residing at the facility.

**Homiak v. AACS, Inc. – Christian Circuit Court Suit Dismissed.** Mr. Logsdon said there had been a suit against AACS. That suit was dismissed by the judge — *finally*. It was a complaint that never had any merit. Ms. Homiak was dismissed for inappropriately handling children under her care and then she turned around and sued AACS even though her offense was recorded on video tape. The only thing that is still hanging a little bit is her open records request, but that information has been provided to her and her attorney. There is some possibility of a fee claim being asserted, he said.

**Judge Haire on KACo Audit Group.** Mr. Logsdon congratulated Judge Haire. Judge Haire noted of an article being in this past Sunday’s *Herald Leader* in KACo relative to personnel actions.

Rev. Manning asked about the CSBG “stimulus” money AACS was supposed to get. Mr. Logsdon stated AACS got its last (limited) approval with the letter included the Handout Packet. It was a limited approval letter, with additional submissions required before the Cabinet for Health and Families granted final approval. The Cabinet approved fully funding United Family Services in Union County. It did *not* approve Habitat for Humanity for funding, saying construction grants were unallowable for CSBG. The Cabinet was still asking for additional feedback on AACS’ proposed subsidies for Boulware, Green River District Health Department, Green River Asset Building Coalition, the Migrant and Immigrant Shelter and Support program and Lighthouse Recovery.

## **SENIOR STAFF REPORTS.**

**Child Care Assistance/KentuckyWorks/R&R/Title V.** Mr. Logsdon stated Ms. Blackham was not present because she was attending a reception for the new Division of Child Care state director in Frankfort.

**CSBG.** Ms. Lamar was not present.

**Finance.** Mr. Mayes stated the only thing he had to say was that in regards to the ARRA funds, AACS was able to bring in a new accountant to the staff. The audit is underway and that hopefully the audit will get closed this year.

**GRITS.** Mr. Lanham said in speaking of ARRA, GRITS is spending their money. Phase II of the parking garage was well under construction. The Kentucky Transportation Cabinet was on the very front end of ARRA funding and committing those resources. This past week, GRITS received seven (7) hybrid buses, which was part of the ARRA funding. Mr. Lanham stated he brought one of them with him tonight and offered to take Board members for a ride around the block. As far as ARRA, there is a new “TIGER” (sic) grant that Kentucky was talking about. And the previously applied for “TIGGER” (sic) grant will be announced later this month — and that is part of ARRA as well, he said.

Mr. Lanham mentioned the auction that AACS had with Head Start earlier in the month. The old GRITS equipment did not sell well, he said. The bright side of it was that most of it went to churches including eight out of thirteen (13) vehicles that were sold. Mr. Lanham said the one thing he forgot to mention about the maintenance facility was to thank Ms. Suzanne Miles, who was the Daviess County representative for Representative Brett Guthrie (and she is Billy Joe Miles' daughter), for helping GRITS in so many ways.

**Head Start.** Mr. Nehring said that Head Start did receive direct ARRA funding under for COLA and quality improvements. Head Start staff specifically received COLA (cost of living) increases through ARRA, and there were other quality increases for staff, compensation, and additional staff training. Head Start has now received its final approval for all of those, so the funds will soon begin expending immediately. The deadline is September 30, 2010 to expend those ARRA funds. Mr. Nehring said Head Start received over \$1.3 million, which is above and beyond the regular grants. So those funds are now available and just to give you an idea of what they will be going for. Two thirds of it is going into salaries, fringes and indirect cost expense for all of the increases will be given to staff for compensation.

But all of the rest of the ARRA increases thus far received are for infrastructure improvement within the agency. Head Start is receiving \$60,000 for two (2) school buses, plus \$160,000 of the ARRA funding is going to playground improvements. Ninety thousand dollars (\$90,000) is going toward upgrading AACS Head Start's surveillance systems in all of its full-day, full-year programs, which is a security thing for our families, children and staff. Sixty-seven thousand (\$67,000) will be going into training and technical assistance for AACS Head Start staff. There will be \$35,000 going to specific projects for improving professional development and providing training assistance. AACS Head Start will be providing over \$70,000 in tuition assistance to staff for going back to college to obtain their degrees, either for an Associate or Bachelor's Degree.

AACS' Head Start has also applied for expansion for Early Head Start and expansion for Head Start, but he said he had not yet heard from either of those applications. Mr. Nehring stated his estimation is that within the next two or three weeks he should hear something, either pro or con, about our expansion for Head Start and then it will probably be a month and a half before hearing anything about Early Head Start. Those are very competitive, he said. The proposal was that Head Start would have these new "slots" up and running in four months, that is, by January or February 2010.

**Human Resources.** Ms. Gatton stated she had nothing further to report.

**Information Technologies.** Mr. Hagan stated "IT" has some new features that are available that AACS departments want to leverage and that Mr. Mayes will make good use of in Finance. "IT" will be cleaning up and upgrading some old software systems. The agency is still running Windows 2000 servers and they haven't been supported for some time. The few network servers will have the support dropped off of those quickly. He is trying to get off of those systems. He said he was going to focus on some security issues and will be working on the agency's "spam" issues.

Mr. Pruitt asked Mr. Hagan if the agency has any security firewalls put in pertaining to what happened in Bullitt County, Kentucky. Mr. Hagan said his department had implemented some security procedures that have come from the auditors and other staff within the organization. It used to be that the AACS financial system was available on the Internet, but that is no longer the case. AACS does have firewalls that require authentication through VPN (virtual private networks) before they can be accessed.

Judge Haire mentioned to the Board that Bullitt County had their financial records hacked into. Word went out across the state, counties and cities, with regard in ensuring of putting in additional firewalls to prevent that from happening. Judge Haire said he would forward that e-mail to Mr. Hagan. Mr. Hagan

said this was definitely a serious concern. AACS currently uses CISCO systems. This is a highly recognized firewall, and he and his staff take special care of how it's configured, he said.

**Senior Service Corps.** Ms. Mattingly said she had nothing more to report.

**Housing Services/Weatherization.** Ms. Harper said there were two inspections conducted at Lincolnshire. One was from Kentucky Housing pertaining to their annual monitoring review. The other one was from REAC, which is contracted by HUD; they come in and inspect the property both inside and out. There were no major findings. AACS has not yet received either written report.

## ***ADJOURNMENT***

There being no further business ...

*Rev. Manning moved to adjourn the August 18, 2009 Board meeting. Mr. M. Douglas Smith seconded the motion. Without objection, the meeting adjourned at 7:35 p.m.*

Hon. Reid Haire,  
Chairperson of the Board