

## Kentucky Equal Justice Center

### Board Minutes

December 15, 2022

**Board Members Present:** Bonifacio Aleman, Tiffany Pyette (Client Members); Bob Brown, Rick Clewett, Lisa Gabbard, Dawn Howard, John Rosenberg (Community Members); Amanda Young, Jefferson Coulter, Robert Johns (Program Directors); Kristin Alexander, Jacob Taulbee (Staff Reps).

**KEJC Staff:** Emma Anderson, Miranda Brown, McKenzie Cantrell, Ben Carter, Gaby Dawson, Raaziq El-Amin, Michelle Haubner, Allison Hight, Tyler Offerman, Paola Schwartz, Rich Seckel.

#### Welcome and Introductions

As the group gathered on Zoom, members greeted each other. Chair Bob Brown called the meeting to order and invited KEJC Director Rich Seckel to conduct a roll call.

During the roll call, Rich welcomed newly elected board members Bonifacio Aleman and Dawn Howard and new housing project staff joining the meeting for the first time, Housing Justice Attorney Stefanie Ebbens Kingsley and Laura Harper Knight.

#### Highlights of Recent Activity

Bob next recognized Rich to present highlights of recent activity. Rich offered highlights as follows:

- **Staff Retreat:** Rich said a staff retreat in November, facilitated by Steve Kay, provided a helpful discussion of the elements of KEJC's advocacy model and how they were distributed among different staff and projects.
- **New phone system:** Rich said that KEJC had selected a new program wide VOIP phone system, Nextiva, and was well on the way toward implementation. He said each user would have a unique number that they could use on their desk phone, computer, or cell phone.
- **New board members:** Rich said that he had enjoyed a board orientation session earlier in the week with new members Bonifacio Aleman and Dawn Howard. He thanked Raaziq for joining in the discussion.
- **RJDEI Consultants:** Rich said KEJC had engaged two co-facilitators to guide KEJC's learning and self-assessment on racial justice, diversity, equity and inclusion. He said KEJC board member Tiffany Pyette would work with consultant Mizari Suarez on a multi-step process leading up to recommendations.

- **Charity CFO:** Rich said that new bookkeeping firm The Charity CFO was moving ahead with a detailed onboarding process and in November, for the first time, had taken over the time-consuming process of allocating payroll to grants.
- **KTAP:** Regulations with multiple improvements in the KTAP program (cash benefits for low-income families with children) appeared to be moving forward in Frankfort without resistance.

Rich added that two part-time KEJC staffers had moved to full-time positions. He said Communications Associate Ebony Lee had joined the Housing Outreach team and Employment Law Attorney McKenzie Cantrell would move from half time into a new full-time Economic Justice Attorney role that would combine her workers' rights work with housing advocacy.

### Approval of Minutes

Bob Brown invited a motion to approve the minutes of the last board meeting.

- Motion:** John Rosenberg moved to approve the minutes of the September 23 board meeting.
- Second:** Lisa Gabbard
- Action:** Approved unanimously

### Administration: Financial Report through September 30

Bob next recognized Rich to provide the financial report. Rich said that The Charity CFO would soon begin providing monthly reports. Meanwhile, he had prepared and circulated a report for the last completed quarter. He recapped the cover sheet as follows:

**Profit and Loss Budget Overview FY 2022:** anticipated a loss of \$144,463 to be offset primarily by one-time carryover funds.

**Profit and Loss through September 30:** showed a gain of \$57,728 compared to the expected loss of \$89,453—a positive variance of \$147,182 despite \$37,971 in Vanguard brokerage losses.

**Balance Sheet as of September 30:** showed Total Current Assets of \$779,921, down from \$862,519 on August 31, 2022, but up 19.76% from \$651,240 on September 30, 2021.

**Income and Expense Charts:** 80.88% of spending year-to-date was payroll. 78.38% of income was from grants.

Rich predicted carryover at the end of 2022 at \$833,614, considering both the budgeted loss for the year and the projected remainder of new grants, the same figure he had projected at the last meeting. He said that unrestricted funds showed a slight downturn, at an estimated \$219,440, compared to \$259,842 on June 30.

Rich said that income through the third quarter was running at 119% of budget, with expenses at 94%—a favorable ratio driven by the arrival of the KHC funds. He estimated that unrestricted funds would last 1.78 months and total reserves 6.33 months if KEJC had to operate on them alone, again a slight decline but still a good indicator of financial health. .

Rich said that the biggest new grant of the year had seen KEJC receive \$422,000 as its share of the new \$2,050,000 Kentucky Housing Corporation (KHC) grant for eviction prevention and housing stability services. He said that initially the grant had appeared to be the first of several stretching over several years.

Rich said that it now appeared the KHC grant would be a one-time event, due to reallocation of federal housing funds, including new distributions to Louisville and Lexington. The good news: it appeared that Lexington-Fayette County would pursue a housing stabilization program with both KEJC and Legal Aid of the Bluegrass as potential grantees.

Also in good news: KEJC was on track for approval of a grant from national organization Vital Strategies to fight discrimination in health care against people with substance use issues, with enough funds to hire both an attorney and an outreach and investigations paralegal.

Rich said that neither the Lexington housing grant nor the Vital Strategies funding had been included in the budget he prepared for FY 2023. He said they now appeared likely enough to happen that the board might wish to adopt the budget provisionally and plan to come back and amend it if the funding came through.

#### **Administration and Development: IRS 990 for 2020**

Bob invited Rich to report on KEJC’s filing with the IRS. Rich said that auditor Vickie Richardson had prepared the return based on her audited figures and he had circulated it to the board before filing. He said there was a link to the 990 on the Board Meetings Page.

#### **Administration and Development: Audit Committee Report**

Bob recognized Treasurer Lisa Gabbard to report for the Audit Committee. Lisa said the current committee consisted of her and Bob. She said they met by phone several days before the board meeting with Auditor Vickie Richardson to review and discuss the audit report.

Lisa said that Vickie found that the audited figures fairly represented KEJC’s financial position as of December 31, 2021, in accordance with generally accepted accounting principles. She said that Vickie had noted that KEJC’s bank balance well exceeded the federally insured amount.

Bob said that Vickie had been complimentary of Rich’s preparation of materials for the audit.

- Motion:** Robert Johns moved to accept and approve the Auditor’s Report.
- Second:** Jacob Taulbee
- Action:** Approved unanimously

## **Administration and Development: Proposed Budget for FY 2023**

Bob next invited Rich to present the proposed budget. Rich said that he had conducted briefings and discussions before the board meeting with both the Executive Committee and staff. By way of context, he said three things created budget pressure for the coming year:

- The end in July 2022 of the Public Welfare Foundation grant for workers' rights work
- The prospective end in July 2023 of the MAZON grant for food justice work
- The dip in VOCA funding caused by the declining trust fund balance nationally

Rich said that VOCA funding might pick up in the grant year starting October 2023, but in the meantime the reductions were roughly equivalent to one out of three positions initially created with VOCA funds. He said the challenge would be to tide the program over until the cuts were reversed, he said.

Turning to the details of the budget, Rich said that salary figures were based on full implementation of the salary scale adopted by the board two years earlier and implemented in steps in the 2021 and 2022 budgets. It also featured \$1 an hour increments for hourly employees and a 1% increment for himself.

Overall, the salary line for 2023 was up about 23.88% over 2022. Rich said the primary reason for the increase was not implementation of the salary scale but creation of new positions, including housing project staff and a full-time Communications Coordinator.

Rich said that fringe rates were prescribed by the various fringe payees and that the year-to-year increase, at 26.60%, closely tracked the increase in salaries and wages.

For operating cost, Rich said that the big percentage increase of 160.6% was driven by planned subgrants to legal aid partners under the Kentucky Housing Corporation housing stability grant. Otherwise, Rich said, he had examined two years' worth of expenditures for most expense lines and tried to capture the trend. He also had referred to grant budgets.

Rich then turned to the income block in the budget spreadsheet, identifying multiple sources of funding and the assumptions he had made about amounts and trends.

While the bottom line of income over expense was a large \$239,083 "in the red," Rich said, the story didn't end there. He identified sources of available balances and carryover funds totaling \$229,850 that all but wiped out the deficit.

As well some of KEJC's unrestricted fund balance came from funds that donors reasonably expected to be used sooner rather than later, including stock donations in the Vanguard account and cy pres proceeds from a class action settlement.

With all the available balances and major gifts considered, Rich said, the challenge was to line up funds with where they were most needed. He suggested giving the budget provisional approval in light of the potential new housing and health care grants.

- Motion:** John Rosenberg moved to approve the proposed budget on a provisional basis, with adjustments to be made in 2023 if major new grants came through.
- Second:** Lisa Gabbard
- Action:** Approved unanimously

### **Administration: Housing Stability Project Funding**

Rich said that while KHC Housing Stability funds would not renew, they could be stretched past the initial grant end date of July 2023. Meanwhile, it appeared that Lexington-Fayette County would create a new grant opportunity.

### **Governance: Strategic Plan Implementation**

Rich began a walk-through of activities conducted or planned to carry out elements of the strategic plan, highlighting several areas as follows:

**Advocacy Model:** Rich said that the Strategic Plan contemplated an annual review of KEJC’s “multi-function advocacy model” and services. He said that the recent one-day staff retreat had included a look at how elements like outreach, intake, brief services, cases and policy advocacy were distributed among staff and projects.

**RJDEI:** Rich said that the board and staff RJDEI committee had created a Request for Proposals for a consultant to work with KEJC to bring the themes of racial justice, diversity, equity, and inclusion to bear on the full range of the KEJC’s activity. Rich said the committee recently had interviewed three bidders and had decided to ask two of them—Board Member Tiffany Pyette and consultant Mizari Suarez—to work together on a joint plan.

### **Governance: Community Member Board Vacancy**

The chair next turned to the Community Member board vacancy created by board member Dan Wu’s successful run for a council-at-large seat in the Lexington-Fayette County Council. Dan had drawn the most votes, making him the incoming Vice Mayor. Sadly, he had resigned his board post in order to focus on his new role.

Bob said that attorney T. Bruce Simpson had shown a long-time interest in serving on the board. He said that the Executive Committee recommended nominating Bruce from the floor to fill out the remainder of Dan’s term on the board.

Rich had circulated Bruce’s Nomination Form with the board materials. Bruce had both a law degree and an MSW. He had worked at the Legislative Research Commission and several law firms. He had served as President of the Fayette County Bar Association and as chairperson of multiple nonprofits including Prevent Child Abuse Kentucky.

- Motion:** Robert Johns moved to approve the nomination of T. Bruce Simpson to serve the unexpired portion of Community Member Dan Wu's term.
- Second:** Not recorded.
- Action:** Approved unanimously

### **Governance: Conflict of Interest Forms**

Bob drew attendees' attention to the KEJC Conflict of Interest form in the board package. Rich invited board members and staff to fill it out, sign it, and return it to him. He said that the form was circulated once a year and given to new staff and board members. Rich said the purpose was to disclose businesses connections or board memberships which might have interests different from KEJC's interests.

### **Governance: Board Meeting Dates**

Rich recapped the proposed meeting dates for 2023 circulated in the board package, as follows:

- April 20 (later changed to April 28)
- July 21
- September 21
- December 15

No changes were suggested.

### **Reports**

After brief comments on the status of national legal aid funding, the board heard staff reports on multiple issues and projects. No board action was required in response to the reports. For details, see the Staff Reports on the KEJC Board web page under the December 15, 2022, heading at <https://www.kyequaljustice.org/board-meetings>.

**The meeting was adjourned by acclamation.**

### **Reported by:**

Richard J. Seckel, Director  
April 26, 2023