



***Making Young Children a Priority!***  
**Durham's Partnership for Children**  
**Board of Directors Meeting**  
**March 19, 2009**

**Board members present:**

Skip Auld	Cheryl Brown	Bill Bryant	Wendy Burnette
Danielle Caldwell	Linda Chappel	DeeDee Fields	Rebecca Freeman
Joseph Haenn	Michael Palmer	Rhonda Parker	Ellen Reckhow
Rob Robinson	Diane Rupprecht	Delphine Sellars	Carolyn Titus
Annie Vample	Barbara VanDewoestine	Angie Welsh	Rhonda Stevens for Sammy Haithcock

**Board members excused:**

Ilene Britt	Marilyn Hedgpeth	Dr. Kirsten Kainz
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**Board members absent:**

David Clark	Dr. Debbie Pitman
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**Staff present:**

Marsha Basloe	Tina Bernardoni	Diana Graham	Kate Irish
Jeanette Maatouk	Angelica Oberleithner	Sandra Roberts	Karine Stallings
Trish Vandersea	Ted Whiteside		

The meeting was called to order at 3:10pm with a quorum.

**INTRODUCTIONS AND ANNOUNCEMENTS:** Michael welcomed everyone to the meeting. Drew Cummings, Assistant County Manager for Durham, was introduced to the group.

**CONSENT AGENDA:** The Board reviewed the minutes from the January board meeting, the spending analysis, and the executive committee action items from the February and March Executive Committee meetings.

**It was moved to accept the consent agenda.**

Motion: Bill Bryant  
Second: Joe Haenn  
Abstain: None.

**The motion was approved unanimously.**

**AGENDA MODIFICATIONS:** The MOU with Head Start will be moved to after the Public Comment Period.

**PUBLIC COMMENT PERIOD:** There were no public comments.

**MOU WITH HEAD START:** When the most recent Head Start legislation was signed, it included a new piece that required a formal MOU with local community programs that run pre-K programs. In the past, Head Start had an MOU with the Durham Public Schools. We receive state funds for the More at

Four program and our Smart Start funds go into the Head Start program so Head Start was required by legislation to have an MOU with the Partnership and our More at Four Program. A draft of the MOU was brought to the Executive Committee in December 2008 and was edited by the committee. This MOU is a dated contract, which means the Partnership will have to go back and revisit the contract to see if the Partnership has lived up to the agreement and if there needs to be changes. The agreement expires 18 months from the date of signing. The Board Chair at the local Head Start is Mary Martin. The Executive Director is Joan Burton. Joan Burton is the acting Head Start Director because Marlo Walston has resigned. There are five head start sites (459 children) in Durham – the majority of the sites are four-star.

**It was moved to approve the signing of the MOU with Head Start.**

Motion: Barbara VanDewoestine  
Second: Skip Auld  
Abstain: None.

**The motion was approved unanimously.**

## **REPORTS AND UPDATES**

### **Finance Committee Updates**

#### Recommendations:

Taxes Owed to the IRS: EPS, our former payroll service, has not paid the tax money they collected from us for one of the paycheck periods, leaving the Partnership owing the IRS approximately \$8,850 plus penalties which are accruing on a daily basis (this amount is as of March 3<sup>rd</sup>). The Partnership is in the process of attempting to contact the parent company of EPS and the insurance carrier for EPS, but as of yet has not been successful.

EPS's parent company in New York state is in Homer, NY. The mail sent to the local address in Morrisville was returned as undeliverable. The company was bonded, and the Partnership has a contract saying that EPS is responsible for the funds owed, but no communication has been received from them. The man who appears to own the New York office is a CPA. Mike Calhoun, our attorney, has suggested that the Partnership could go to the Attorney General's office in New York and North Carolina; the Partnership could also sue for theft of funds. At a future point, the board will examine if the matter is worth pursuing if the legal fees make the cost of recovering the money too great.

The Partnership spoke with the IRS this afternoon. The Partnership needs to pay the amount and request to have the penalties completely waived. There is no fund available to cover companies whose payroll companies do not pay the money held in escrow to the IRS.

The Finance Committee recommends using unrestricted funds to pay the IRS taxes that were not paid by the payroll company. These funds could be reimbursed if we are successful in legal efforts to obtain repayment.

**The Finance Committee recommended to use unrestricted funds to pay the IRS taxes that were not paid by the payroll company.**

Motion: Finance Committee  
Second: Carolyn Titus  
Abstain: None

**The motion was approved unanimously.**

Unrestricting funds for Administration: The administrative budget for the Partnership was cut again with only three months left in the fiscal year to absorb the cut. The administrative budget was already lean prior to the cut at 5.6% admin. funding. At this point, the Partnership has cut expenses possible without

cutting staff. Already, the Partnership has lost one staff person who has not been replaced; instead combining two positions into one. The total cut to the Partnership is 8.87%; statewide the cut is 8%.

Approximately \$11,000 is available from board and staff giving in a separate fund; these funds are currently restricted for advocacy purposes. About of 1/3 of funds are donated from staff. Because NCPC has been paying for the bus trips to the capital for Tuesdays for Tots, the Partnership has not used these funds.

The Finance Committee, after a long discussion, recommended unrestricting \$9,485 reserved for advocacy and reallocating it to administration to offset the most recent cut to the administration budget this fiscal year to prevent staff cuts.

The board discussed the matter. The Partnership is not just looking at the \$9,485 cut to admin; over \$18,000 is being cut to services and administration in the infrastructure. Most nonprofits have a 12-16% overhead budget for administration; government is higher. The Partnership operates currently at 5.6%. Marsha has already cut one staff position and made other cuts: There is no longer an outside evaluation contract, the evaluation training has been canceled, no colored paper is being ordered, printer cartridges are being bought as needed, there is no travel permitted except for the Smart Start Conference which was already paid for and was nonrefundable, staff must share an inexpensive hotel room, and executive committee meetings will no longer have lunches. The only thing left to cut is salaries and benefits to staff.

Angie Welsh brought up that an investment in staff could arguably be looked at as an investment in advocacy because advocacy is made possible by the people we staff for the organization. Diane Rupprecht supported this.

**The Finance Committee recommends unrestricting \$9,485 reserved for advocacy and reallocating it to administration to offset the most recent cut to the administration budget this fiscal year.**

Motion: Finance Committee  
Second: Rebecca Freeman  
Abstain: None

The Board went into closed session under §143-318.11(a)(6) at 3:45pm to discuss the issue and vote on the matter. The Board came out of closed session at 3:47pm and reported that **the motion had been approved.**

After the discussion and vote, Linda Chappel suggested creating a plan for building our emergency unrestricted fund. The Partnership needs to plan to increase this fund, even if it is incrementally, because we are not in a best practice situation without a larger fund. She recognizes that this will be difficult without development staff or funds that can be used for unrestricted.

**FUNDRAISING ASSESSMENT PLAN:** Ann Thomas, Senior Counsel with Capital Development Services, came to present information on the Fundraising Assessment Plan. The Executive Committee met with Alan Burrows and Ann Thomas of Capital Development Services a few weeks ago to finalize the plans for the Fundraising Assessment. Ann has started working with Marsha, receiving documents to review and plan for community interviews.

Capital Development Service (CDS), established in 1984, has been working with hundreds of nonprofits in North Carolina and across the Southeast. They were involved in creating and funding Smart Start back in the 1990s and worked with Governor Hunt and Jim Goodmon in raising the match of legislative funds. Their mission is to partner and work beside the Partnership when figuring out the best way to position the Partnership in the community to begin raising private funds.

CDS's first step will be to develop a Campaign Case for Support – a document that is externally oriented and is our best foot forward into the community as the Partnership communicates its need. It will be based on opportunity and success, not cost cutting and crises.

CDS's second step will be to conduct a readiness assessment of the Partnership, looking at five major areas: administration, infrastructure to support fundraising, and leadership; financial management; fundraising activities to date; technology; and community relations. They will be looking at existing materials already provided by Marsha and conducting 18-20 interviews with key volunteers and community leaders. The interviews will focus on four main areas: a set of questions concerning opinions about the Partnership, its staff, and its leaders; the need for an endowment and the persuasiveness of the need; the interviewees' readiness to give or willingness to raise funds; and fundraising goal attainability.

In mid-June, CDS will present a summary of their findings, recommendations moving forward, and a fundraising plan of action that will be user-friendly with clear goals and objectives and a road map for moving forward.

Ann discussed the state of the economy in relation to raising money right now and assured the board that now is the time to plan, to put the best face on the Partnership, and to be ready to move out of the gate with full force and energy. Fundraising is 90% planning and 10% ask. Over the past 45 years, giving has never dipped, even in recession periods; giving has only flat lined. Organizations that have been preparing, planning and laying the foundation in their communities are still receiving six and seven figure gifts.

**Board Giving Campaign 08-09 Update:** We have reached 100% board and staff giving for the year. These funds are earmarked for the endowment.

**Program & Evaluation, Annual Smart Start Plan:** Kate Irish presented information on the Annual Plan that was mailed to all board members. The plan will be submitted to NCPC.

**It was moved to approve the Annual Plan.**

Motion: Ellen Reckhow  
Second: Diane Rupprecht  
Abstain: None

**The motion was approved unanimously.**

**Mid-Year Review:** A Mid-Year Review was enclosed in the Board packet. This is an internal document that is used to continually track projects toward reaching outcomes for the year. There was good discussion on the barriers and challenges from the Mid-Year Review. We may want to share these areas regularly.

**Community Awareness Committee:** Karine used the projector to show the board the new website <http://www.champions4youngchildren.org> that was designed for advocacy; Smart Start funds were not used to pay for any of this website. The website will be updated regularly as things change at the legislature.

**Champions for Children Meeting March 25, 2009:** Steve Toler presented information on the upcoming Champions for Children meeting. The meeting is scheduled for 8am on Wednesday, March 25, 2009.

**Durham's Children Zone:** Ellen Reckhow presented information on the Durham Children's Zone, now named the East Durham Children's Zone (EDCZ). EDCZ is a focused geographic area based on the

Harlem Children's Zone model. Ellen and others are meeting with PAC-1 and Cooperative Extension. Ellen suggested that there is urgency in moving forward because President Obama has included in his proposed budget a program for promise neighborhoods. The President promised to create 20 of these zones as pilots; word is spreading in the educational community that there will be funding for this program.

Ellen reviewed materials: 2 page overview, map, early childhood workgroup notes, data from DPS on the area, etc.

Holton Resource Center will open this summer and will include a vocational center, a community center, and a health clinic run by Duke. One of the goals of the EDCZ is to build on existing programs and resources. Another goal is to engage families from birth by have parenting classes known as a "Baby College," to provide high quality early child care, and for the school district to reinvent YE Smith Elementary and to work hard to improve Neal and Southern. The next meeting of the planning group is Tuesday, March 31<sup>st</sup> at the staff development center on Hillandale Road.

**EXECUTIVE DIRECTOR'S REPORT:** Please see report in packet.

- **NCPC's Monitoring Visit** is the week of March 30<sup>th</sup>. A report will follow.
- **Early Head Start Planning; MAF Plan to OSR in April:** Marsha and staff are beginning to work on the pieces of a potential Early Head Start grant using the Infant/Toddler Community Plan developed this year with multiple partners and community members. They have visited the EHS site in Chapel Hill, the only EHS program in the Triangle. MAF Plan will be due to OSR the end of April.
- **Smart Start Conference May 2009:** The Conference is smaller this year. Marsha is not sure if Board members may attend the luncheon due to budget restrictions. It may be open only to those who registered. There will be NO Smart Start Conference in 2010.
- **Legislative Update:** The board packet included a legislative agenda. Some people are suggesting a statewide council to conduct a study. Before Governor Hunt could respond to Marsha's correspondence, there was a bill presented in the legislature on merging MAF and SS. The Partnership did not take a stand; will focus its efforts on ensuring that there are no cuts to children and no cuts to vital services. Marsha will be in contact to ask for support in the next few months.
- MAF application process is still going on. Please share the flier in your packet.

**The next Board meeting will be May 21, 2009 at 3:00 pm. At that meeting, the Board will vote on funding for 09-10.**

**It was moved to adjourn the meeting.**

Motion: Barbara VanDewoestine

Second: Diane Rupprecht

Unanimous

**The meeting adjourned at 5:05pm.**