

## **MINUTES**

### **Board of Directors Meeting • November 24, 2003**

#### **ATTENDANCE**

Juan Aguilar and Dixie Kracht (by phone), co-chairs; Gloria Burton, Lupe Gamboa, Pete Garza, Billie Heath, Alicia McRae (by phone), John Smith, Mario Villanueva, Tomas Villanueva. Tom Byers and Liza Couchman, Cedar River Group (staff). Brien Thane, Office of Rural & Farmworker Housing (fiscal agent).

#### **WELCOME & INTRODUCTIONS**

Juan Aguilar called the meeting of the Washington State Farmworker Housing Trust (WSFHT) Board of Directors (Board) to order upon completion of a speaker-phone connection to include Dixie Kracht and Alicia McRae, participating by phone due to snow in the Cascade passes. He welcomed those present, and introductions were made around the table. Lupe Gamboa, a new Board member, introduced himself as a long-time resident of the Yakima Valley with a background as attorney. He worked in the past with Legal Services and United Farmworkers and expects to start work soon with the Mexican Consulate.

#### **APPROVAL OF MINUTES**

Mr. Aguilar gave those who had not yet reviewed the minutes of the previous meeting a moment to do so, and invited a motion to approve them.

Upon motion made (T. Villanueva) and seconded (M. Villanueva), the minutes of the Board meeting held on October 24, 2003 were approved unanimously.

#### **UPDATE ON INCORPORATION**

Tom Byers reported that he successfully filed for incorporation of the WSFHT in person with the Washington Secretary of State's office, within 24 hours of the changes to the draft filing requested by Board members. However, the requirement for Registered Agent's original signature was not satisfied by the facsimile statement provided by Juan Aguilar. Rather than delay the filing, Mr. Byers provided his signature to serve as Registered Agent on an interim basis. It was agreed that the role of Registered Agent shall be transferred to Robert Kaplan, the attorney who facilitated the filing with Tom Byers.

Mr. Byers also noted that, three Board members were the original incorporators, but that Mr. Kaplan had recommended an incorporator from each WSFHT stakeholder group. Therefore, Mike Gempler had agreed to serve as a fourth incorporator for the incorporation filing.

#### **EXECUTIVE COMMITTEE REPORT ON CONTRACT FOR STAFF ASSISTANCE**

Mr. Byers briefly reviewed the sequence of events leading to development of an agreement between WSFHT and Cedar River Group, LLC (CRG) for staff assistance. He concluded with the news that he and Mr. Aguilar had developed a Scope of Work, which was ready for review by the Executive Committee.

Mr. Aguilar commented that the current draft of the agreement was very strong and suggested that the Executive Committee meet to develop a recommendation to the Board to engage CRG as soon as possible so that the WSFHT can move forward with its work. Dixie Kracht reminded the

Board that, in its previous meeting, it had empowered the Executive Committee to make a decision for subsequent approval by the Board.

Following some discussion of the next earliest opportunity for the members of the Executive Committee\* to meet, it was agreed that they would circulate the draft agreement for review by e-mail and convene by phone.

### **RETENTION OF LEGAL COUNSEL & IRS CERTIFICATION**

Juan Aguilar referred the Board to Robert Kaplan's resume and summarized a letter of introduction he received from Mr. Kaplan, as well as a phone interview with him. He concluded that he was impressed with Mr. Kaplan's background working with nonprofit organizations and especially his generosity in assisting Mr. Byers with WSFHT's incorporation pro bono. Mr. Aguilar then stated that Mr. Kaplan's hourly rate is \$160, plus costs incurred (for such expenses as copies, phone, filing fees incurred on clients' behalf, etc.), and that a retainer was not required. As counsel for WSFHT, Mr. Kaplan's primary duties would initially be to handle the IRS filing for nonprofit status.

During discussion of the prospect of retaining Robert Kaplan as counsel, the following points were made:

- For a long-term relationship, an attorney with more finance and/or housing experience might be preferred, but Mr. Kaplan can fulfill WSFHT's present needs.
- Additional counsel with specific expertise can be secured at a future point in time, if and when such a need arises.

In the spirit of full and fair disclosure, Mr. Byers advised the Board that Mr. Kaplan has represented Cedar River Group, LLC.

In response to the question of what timeframe is anticipated for WSFHT's IRS filing for nonprofit status, Mr. Byers stated that Mr. Kaplan estimates 30 days for preparation, and a wait of six months after filing. In the meantime, WSFHT can conduct business but should indicate that "IRS certification is pending" when appropriate.

Mr. Aguilar invited a motion regarding retention of legal counsel.

Upon motion made (Heath) and seconded (T. Villanueva), the Board approved unanimously acceptance of the services of Robert Kaplan to initiate WSFHT's filing for nonprofit status.

### **UPDATE ON HUD FUNDING AGREEMENT**

Brien Thane of the Office of Rural and Farmworker Housing (ORF) referred the Board to a draft HUD Community Planning and Development Application for EDI-Special Project, and apologized for the delay in developing the application due to a broken ankle. He pointed out the following key items for the Board's attention:

- Application cover, which outlines the application;
- Second page, which indicates Mr. Thane and ORF WSFHT as a Participating Party and the grant amount of \$178,830;

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\* Gloria Burton, Juan Aguilar, Mario Villanueva and Mike Gempler.

- Third page, which includes a needs statement adapted from the September 2003 Board minutes, brief project description, estimated costs, and start and completion dates; and
- Sixth page, which sets out a draft budget reflecting best-guess estimates per conversations with Mr. Byers.

During review and discussion, the following points were made:

- The application is based on a workplan (see WORKPLAN & TIMELINES below) that is drafted in anticipation of Board approval of a Comprehensive Plan and development of a first-round of grant applications to major foundations by October 2004.
- In the absence of employees and location, most of the budget is for Professional services and Insurance is for directors and officers only. The Legal line item is anticipated for the IRS filing.
- Meeting Expenses is anticipated to cover direct meeting and venue expenses as well as Board members' mileage, lunch, beverage service associated with attendance. However, the Board should state its policy for these expenses, and the budget can be revised accordingly.

While the Bylaws provide for expense reimbursement, there was some discussion of the guidelines to be used for allowable rates. Mr. Aguilar invited a motion to set the source for reimbursement rates.

Upon motion made (Smith) and seconded (Kracht), the Board approved unanimously use of the federal General Services Administration rates for mileage, per diem and lodging.

In conclusion, Mr. Thane indicated that he will work with the Executive Committee and Mr. Byers to revise and complete the application. In addition, as fiscal agent, he will provide reimbursement guidelines and forms to harmonize Board policy and ORFH's systems.

#### **ESTABLISHMENT OF NOMINATING COMMITTEE**

Mr. Aguilar deferred to Mr. Byers for a summary of Board vacancies and the need for a Nominating Committee. Mr. Byers stated that two vacancies exist due to his and Lon Inaba's stepping down. Since the timeline for the Board's workplan is compressed and the balance of Board stakeholders is delicate, the issue of filling these vacancies should be entrusted to a Nominating Committee. Mr. Aguilar suggested that such a committee should comprise at least three or four Board members and could be delegated to the Executive Committee or to an ad hoc committee.

Upon motion made (Kracht) and seconded (Aguilar), the Board approved unanimously that the Executive Committee, already balanced in stakeholder group representation, will fulfill the duties of a nominating committee in identifying candidates and making recommendations to fill Board vacancies.

During discussion of the tasks ahead of the Executive Committee in identifying candidates, the Board's composition was reviewed and the following points were made:

- Mr. Gamboa's full participation will entail that Rebecca Soldana be listed on the roster as a key contact rather than as a stakeholder group alternate representative.

- Gloria Burton and Ed Davila, of Grupo Mexico Housing Committee, will confer and advise Mr. Aguilar which of them will serve on the Board and which will be listed as a key contact.
- Lon Inaba's successor should come from the growers community. Recommendations should be forwarded to Mr. Aguilar for consideration by the Executive Committee.
- Filling vacancies by category is worthy in adhering to the initial composition of the Board, the time may come when flexibility is needed to appoint a new member from a category other than that of an outgoing member.
- The time commitment that accompanies service on the Board is a consideration for prospective appointees from the growers community; however, convening meetings east of the Cascades might alleviate that concern.
- Given the difficulty of traveling and convening a quorum, the Board should consider adopting a policy that whereby, if those present for a meeting are not sufficient for a quorum, they may nevertheless conduct business on the Board's behalf, for subsequent affirmation by the Board.

#### **WORKPLAN & TIMELINE**

Over lunch, Mr. Byers reviewed month-by-month a draft Proposed Timeline of Board and Staff workplans for November 2003 through October 2004.

During discussion, the following points were made:

- The December meeting with Senator Murray is intended as an opportunity to
  - solicit the senator's thoughts on any potential for appropriations;
  - identify prospective funders and verify any contact already initiated on WSFHT's behalf by her office; and
  - solicit her views on the viability of the timeline and workplan.
- Following the December 2003 Board meeting, the staff workplan for early 2004 should include follow-up letters of introduction to prospective funders to present WSFHT's workplan and test the fit of its timeline to funders' grantmaking cycles.
- Professor Schotzko of Washington State University, another WSU expert known to Mr. Gamboa, Alice Larson on Whidbey Island, and Board member Mike Gempler are all potentially good guests for the December 2003 meeting panel discussion on issues and trends.
- The stakeholder engagement plan to be developed in January 2004 will present options.
- By Spring 2004, the Board will be in a position to assess needs, assets and gaps in order to define its role. This will be key to identifying and pursuing potential opportunities such as the Sound Families Initiative in King, Pierce and Snohomish Counties for securing services to accompany housing created.
- After evaluating what data exists, resources may need to be found, or set aside, for farmworker interviews.

- The workplan should be revised to include issues such as: design, models, regulatory gaps (e.g., A/C units and screen doors), governance and maintenance and operations.
- A draft Comprehensive Plan should be circulated to key contacts. While the roster of key contacts will evolve over the year, appropriate individuals in the following agencies/organizations should be identified:
  - Washington State Department of Community, Trade & Economic Development (Choe)
  - U.S. Department of Agriculture
  - Federal Home Loan Bank, Seattle (Rice)
  - Washington State Housing Finance Commission (Herman)
  - U.S. Department of Housing & Urban Development
  - Washington State Department of Health
  - Washington Community Reinvestment Association
  - National Council of La Raza
  - Governor's Policy Office
  - Key legislators
  - Pre-development funders (e.g., Impact Capital)

In conclusion, Mr. Byers recognized the general nodding of heads as consensus that, with the revisions discussed, the workplan is consistent with Board goals.

#### **SITE VISITS & OUTREACH**

Mr. Aguilar and Mr. Byers deferred to Gloria Burton. Ms. Burton stated that her interest in proposing this agenda topic was to ensure that Board members get to know the people they serve; seeing the same sights leads to a common vision.

During discussion, it was agreed that Board site visits will help identify promising sites for prospective funders to visit. Site visits proved to be very persuasive with the Governor.

#### **TIME & PLACE FOR DECEMBER MEETING**

Mr. Aguilar recognized a general consensus that the Board would defer to Senators Murray's availability in scheduling its December meeting on either the 18<sup>th</sup> or 19<sup>th</sup>, at either the Housing Authority Offices or the Hal Holmes Community Center.

#### **OTHER BUSINESS**

Mr. Byers referred the Board to a meeting calendar worksheet for an informal poll of availability on either the third Thursday or third Friday of each month as a standing Board meeting date. Board meetings were set for the third Friday of each month by show of hands.

Mr. Byers reminded the Board of the need for flexibility in scheduling December's meeting. John Smith indicated that February's meeting would need to convene east of the Cascades. Liza Couchman of Cedar River Group requested and received affirmation that members would appreciate a central location that allows them to meet each other half-way when a meeting is not scheduled to include a site visit.

Upon motion made (Aguilar) and seconded (T. Villanueva), the Board approved unanimously that the meeting adjourn at 2:00 p.m.

Respectfully Submitted: \_\_\_\_\_  
Secretary

Approved: \_\_\_\_\_  
President/Vice President