

December 14, 2012 / 9:30 AM – 3:00 PM

Embassy Suites Crabtree – Raleigh, NC

Welcome and Introductions by Jeff McCloud, Board Chair. Quorum established. **(See attendance table.)**  
 Guests: Evelyn Pursley, Executive Director of NC IOLTA and Holly Riddle, Executive Director of NC Council on Developmental Disabilities. Also present were PAIMI Advisory Council members Terry Lathrop, Nick Lovick and Marcia Roth.

2013 Board members in attendance were D Jones (Region 4), Mary Skov (Region 4), Charles Walker (Region 3), and Deborah Whitfield (Region 1).

Jeff read the Conflict and Competing Interest Statement and asked Board members to announce if they have a conflict with any of the agenda items. No conflicts were disclosed.

#### 1. Consent Agenda

- Approval of 09-22-12 Minutes (Action Item)
- Committee/Program Reports

***Janna Shisler made a motion to approve the September 22, 2012 Minutes. Willis Williams seconded the motion. The motion passed unanimously.***

Jeff asked if there were any questions regarding the Committee Reports. There were no questions identified.

***Beth Garriss Hardy made a motion to approve the Consent Agenda and Willis Williams seconded the motion. The motion passed unanimously.***

#### 2. Disability Rights NC's Financial Health

- **Audit** – Cheryl Mulloy-Villemagne welcomed Romeo, Wiggins & Co. CPA staff, Mastin Simmons and Joe Hill. They provided Board members a copy of the final audit report for FY 2012. Mr. Simmons directed the Board members to the 2<sup>nd</sup> page – Independent Auditor's Report which he described as a clean unqualified report. He stated that this means that it was a clean audit and no discrepancies were found. Disability Rights NC receives more than \$500,000/year and, therefore, an A-133 audit is conducted which is a more extensive review. Mr. Simmons stated that there is nothing better than an unqualified report. The two major programs tested were PADD and PAIR; last year PAIMI was reviewed. There were no inconsistencies on how the funds are being spent. He highlighted Page 3 stating that Management and General expenses were 13% for the year which is extraordinary – this is what grantors look for when awarding grants. The 13% is consistent with last year's audit. Cheryl reported that the Finance Committee had

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met with the auditors prior to the Board meeting and the committee's questions were answered in detail. Cheryl expressed appreciation to Charlie, Vicki and the team for the work that has been done. Mr. Simmons emphasized that it is uncommon to have a clean A-133 audit. The amount that triggers an A-133 audit is \$500,000. Mr. Hill reported that there were no disagreements according to the Statement on Auditing Standards (SAS) 114 and it was clean as well. An example of expenses covered in the Management and General Expense area is staff time spent supporting the Board of Directors; attorney time is supported by federal funds.

***Cheryl Mulloy-Villemagne, on behalf of the Finance/Audit Committee, recommends to the Board that the FY12 Audit be approved. Rusty Bradstock seconded the motion. The motion passed unanimously.***

- Charlie reviewed the **990 compliance documents** and stated that our 990 is due for filing by February 15<sup>th</sup>. The form has changed and is now asking more of the Board of Directors. He reviewed with the Board the governance questions that have been to be answered each year. After the 990 is completed, it will be presented to the Executive Committee for review. After review and approval, the 990 will be submitted electronically to Board members and then filed electronically. Vicki explained that staff salaries are determined by using ranges from compatible organizations and then based on staff experience. The Executive Committee establishes the executive director's salary and Vicki, as executive director, establishes staff salaries. Vicki reported that there have not been any salary increases and, therefore, no need to update salaries at this time.
- **Balance Sheet** – Cheryl directed the Board to the Balance Sheet and reported that the budget is right on target for the first two months of the fiscal year. We have some additional cash that was earned for rep payee reviews and this is in the Deborah Greenblatt Fund (DGF), although we have not been paid for all of it yet. Cheryl explained that the DGF is unrestricted funds. The rep payee reviews are fees for service. The work orders come from the Social Security Administration (SSA) through our national association, National Disability Rights Network (NDRN), and given out as a work order to P&As across the country. SSA identifies the work to be done and Disability Rights NC reviews organizational rep payees. We do not know if we will get more. Staff has to go through special clearance to do this work.
- **Statement of Revenue and Expenditures** – Cheryl reported that we are ahead of budget for donations in the Revenue category. She reported that the Communications expense and Database Services are one-time costs and this is a timing issue. Although the total annual budget indicates a deficit as a result of timing issues, we are almost right on budget.
- **Summary of Grant Financial Information** – Cheryl discussed the grant summary variances. She also reported that the PABSS grant was not funded for this fiscal year. Cheryl explained that

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when the Board approved the budget in mid-September, we did not know that PABSS would not be renewed. We only have about \$8,000 left to carry over from last year's money. PABSS was a major grant from the federal government. Vicki stated that as a result, Disability Rights had to do a reassessment of where we were in our work and had to reassign responsibilities. Cheryl directed everyone to Charlie's notes at the bottom of the Summary which provides helpful explanations.

- **New Budget** – Cheryl reported that the Finance Committee recommends this new budget to become effective January 1, 2013. Vicki explained that the budget the Board adopted in September changed drastically. After losing the PABSS grant which supported almost 3 FTEs, it became apparent that we would have to do a reduction in force. She reported that even in this proposed budget, we are deliberately spending more than the grant awards due to carryover funds inherited from the Governor's Advocacy Council for Persons with Disabilities (formerly the P&A). Vicki explained the reason for the deliberate spending and how we are spending our old money first. She stated that our long term projection came due earlier than expected due to the cuts and if we didn't adopt a new budget, we would be spending outside our current budget. The proposed budget is a balanced budget but we are going to try hard to come under budget because we would not have the carryover funds that the Board requires. Vicki stated that in 2013 we will not have much flexibility. We have 2 years from October 1 to spend 5 out of the 6 federal grants and 2 years to obligate it.

***Sadie Brewington Barbour made a motion to adopt the new budget. Rusty Bradstock seconded the motion.***

Vicki provided an update on federal funding and how the fiscal cliff will impact Disability Rights NC. The projection is an 8.2% cut from last year's funding. Congress has yet to pass the 2013 budget and has only done a Continuing Resolution for 6 months. These grants are not entitlement funds. If Congress waits as long as April, whatever budget we get goes back to Oct. 1 so we have to be careful not to spend all the money during the six-month period. NDRN is continuing to quietly work on the 2013 budget. Vicki reported that we are operating under the idea that we will get at least an 8.2% cut and we are continuing to be conservative in our spending. We don't anticipate any more layoffs this coming year. Benefits were bundled and came in a little under budget. Vicki reported that our Asheville office will be closed by March 31<sup>st</sup> which will help with budgeting.

***The motion passed unanimously.***

### **3. PAIMI Advisory Council Report**

Jeff explained the purpose of the PAIMI Advisory Council (PAC). Sheila Wall-Hill, Chair of the Advisory Council, applauded the agency for its financial work. She said the PAC is striving to be the best that anyone has ever seen.

- The PAC met on Thursday, December 13<sup>th</sup> and welcomed two new members – Damie Jackson-Diop from Region 2 and Robert Carey from Region 1. Sam Bowman Fuhrmann from Region 2 will be joining the PAC in January. The PAC acknowledged the great service of David Cornwell and Jeff McCloud who will be rotating off at this December meeting. Sheila reported that the PAC approved Pat McGinnis as Vice Chair and Michael Owen as Treasurer.
- Sheila stated that the PAC spent a good bit of time working on the annual federal PAIMI report. Sheila described the steps taken in order to gather the information needed to complete the PAIMI report.
- The Advisory Council is recognized as an important part of the grant is honored to be a part of the Board.

### **4. What Keeps the Executive Director Up at Night?**

- Vicki explained to new Board members that the title of this report changed the way she reports to the Board. For our accomplishments, members should read the Executive Director and quarterly report. This report is focused on the challenges facing the agency. Since the last Board meeting she has been focused on the long term viability of Disability Rights NC and the actions necessary to ensure we can sustain our ability to honor our mission. This included a very tough decision to lay off staff. Since then she and the Management Team have focused on helping the remaining staff heal. Our work is mission driven and we have to make an impact. We have to do the work and we are asking for outcomes. The teams are smaller now and we have to handle the same issues with fewer resources.
- She reported that staff is fully committed and moving forward and we are revitalized and making a difference. We plan to do something major this year to make a difference for people with traumatic brain injury. The agency has a lot of work to do and she worries about staff stress. As we move from an individual case approach to a systems approach, we will have to say “no” to more individuals.
- She worries about the thousands of people who are looking at their own personal cliff.
- Vicki also worries about providing good resources and information to callers.
- She stated that what doesn’t keep her up at night is the commitment of staff.
- Vicki asked the Board for assistance to increase agency capacity; she would be happy to get back to a staff of 40 again.

LUNCH – oral reports were provided by John Rittelmeyer, Direction of Litigation; Corye Dunn, Director of Public Policy; and Cas Shearin, Director of Investigations and Monitoring.

## 5. Committee Reports

**Governance** – Kathy announced that as the new Board members heard at Orientation the night before, governance is much more than recruiting new Board members.

- Six Board members are going off the Board this month and five positions have been filled. We still have one position to fill. In addition, Jennifer Diliberto has resigned because she feels she may have a conflict of interest. The Governance Committee is looking for someone who is Hispanic and someone with mental illness. Kathy asked Board members to assist in looking for new Board members.
- Chair-Elect Nominations – Kathy reported that Janna has just completed her first year/term and is ready for her second term. She highlighted Janna's various 2012 Activities and financial commitment to Disability Rights NC. Kathy stated that the Board does not have a Vice-Chair and Janna has agreed to fill that position.

***Kathy Boyd, on behalf of the Governance Committee, made a motion to elect Janna Shisler as Chair-Elect of the Board of Directors. Rusty Bradstock seconded the motion. The motion passed unanimously.***

**Development** – Beth reported for the committee and said it has been an interesting year but it has been unequal. Beth asked the Board to read the committee minutes because it captures what the committee has been working on. Beth challenged each and every Board member to think seriously about their commitment to Disability Rights NC and not just their personal but financial commitment. She emphasized that being a Board member of Disability Rights NC carries the need to make some type of financial donation. Beth's goal for the past year was to have 100% Board participation but fell short. Beth stated that she is increasing her donation by 9% because 9% represents the budget cut but each Board member should think about what is personal for them. One thing that was accomplished this past year was the Menu of Board Activities. Today is Beth's last Board meeting and she wants to leave knowing the Board members are committed. Kathy shared an example of giving that she plans to do – monthly donations through the online feature of the website, honoring Beth and Jeff. Elaine explained that our website provides the ability to do a one-time gift or a reoccurring donation. Jeff explained that everyone should do what they can and reminded everyone that funders look at board participation.

## 6. Old Business

Annual Conflict of Interest Statement – Jeff reviewed the Conflict of Interest Policy and Procedures with Board members. Vicki explained that if a Board member's situation changes during the year, they should update their disclosure statement. Disability Rights NC is required to report this to our federal funders. She emphasized that it is critical that the organization know what Board members are doing in the community. Vicki asked Board members to disclose their employer and other activities they are

involved with. There is a mechanism in place where all disclosure statements are reviewed by Vicki and any potential conflict of interest will be discussed with the Board member. She reported that all staff and Advisory Council members also fill out a disclosure statement. She shared that there is no prohibition against a Board or PAIMI Advisory Council member from seeking assistance from Disability Rights but they would have to go through the intake process like all clients and the request would need to fall within the annual targets.

Rusty asked about the envelopes some Board members received. Vicki explained the Performance Matrix and 2013 Commitment Pledge for the coming year.

## 7. **New Business**

- Executive Director Evaluation (Closed Session) – Jeff asked for a motion to go into a Closed Session.

***Willis Williams made a motion to go into Closed Session and Sadie Brewington Barbour seconded the motion. The Motion passed unanimously.***

- Committee Assignments for 2013 – Kathy described the committees and asked existing Board members to stay on their current committee. She also asked new Board members to let her know of their committee interest. Vicki explained that there is no longer a program committee and staff is now doing a monthly conference call. Program teams rotate each month. She stated that when it comes time to do targets for the following year, a small ad hoc committee may be formed to work on the targets. Vicki will send out reminders of the upcoming program conference calls. Janice will send out the committee descriptions to all Board members.
- 2013 Meeting Dates – Kathy announced that the Board usually meets the 3<sup>rd</sup> Friday of every quarter except that in December it is the 2<sup>nd</sup> Friday. The March 15 meeting is tentatively scheduled for Winston-Salem (Region 2). The June 21 meeting will be in the mountain area (Region 1), September 20-21 will be the beach area (Region 4), and December 13 is always in Raleigh (Region 3). The September meeting includes one-half day of training.
- Vicki recognized the Board members rotating off – Brett Loftis (Region 1), Beth Garriss Hardy (Region 2), Adonis Brown (Region 3), and Willis Williams (Region 4). Jeff McCloud was recognized as outgoing Chair but he will remain on the Executive Committee for one year as a non-voting member. Jeff transferred Board leadership to Kathy. Kathy thanked the Board members and they were presented with a plaque. She encouraged the Board members rotating off to stay involved.

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***A motion to adjourn was made by Charles Walker and Rusty Bradstock seconded the motion. The motion passed unanimously.***

The meeting adjourned at 3:00 p.m.

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Sadie Brewington Barbour, Secretary

## Board Meeting Attendance Report – 2012

This chart illustrates board attendance for the current calendar year  
P = Member attended meeting in Person  
T = Member participated by Teleconference  
O = Member was absent  
\* = Established quorum

Board Members	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sadie Barbour			*p			*p			*p			*p
Kathy Boyd			*p			*p			*p			*p
Rusty Bradstock			*p			*p			O			*p
Adonis Brown			*p			*p			O			*p
Suzanne Burley			*p			O			O			*p
Pete Clary			*p			T			O			*T
Jennifer Diliberto			*p			O			O			n/a
William Donohue			n/a			n/a			n/a			*p
Bart Floyd			*p			*p			n/a			n/a
Beth Garriss Hardy			*p			O			*p			*p
Brett Loftis			*p			*p			*p			O
Jeff McCloud			*p			*p			*p			*p
Cheryl Mulloy-Villemagne			*p			*p			*p			*p
Janna Shisler			*p			*p			*p			*p
Herb Smith			*p			*p			*p			*p
Kim Taylor			*p			O			*p			*p
Sheila Wall-Hill			*p			*p			*p			*p
Willis Williams			*p			*p			*p			*p
<i>Ex-Officio Members:</i>												
Jim Bodfish (CCSDL)			O			O			O			n/a
Holly Riddle (NCCDD)			O			O			O			P
<b>Board Attendance</b>												
<b>% Participation / In Person</b>			<b>100/100%</b>			<b>76/71%</b>			<b>69%/69%</b>			<b>94%/88%</b>
<i>Staff:</i>												
Charlie Barnes			P			P			P			P
Corye Dunn			P			T			P			n/a
April Giancola			n/a			P			P			P
John Rittelmeyer			P			O			P			n/a
Vicki Smith			P			P			P			P
Elaine Whitford			P			P			P			P
Janice Willmott			P			P			P			P