



The mission of Clare Housing is to provide affordable housing, supportive services and compassionate care to people living with HIV/AIDS.

Our vision is that all persons living with HIV/AIDS have affordable, safe and stable housing with access to the supportive services that they need to lead satisfying lives with dignity.

From previous meetings:

**BOARD AGENDA
January 22, 2013
4:00 – 6:00 pm**

Item	Person	Time
1. Welcome, Introductions and Review & Approval of Consent Agenda <ul style="list-style-type: none">• Agenda• Board minutes, November 12 and December 3• Finance minutes, November 15 and December 20• Executive Director's report	Chuck Peterson	5
2. Acknowledgement of anticipated conflict of interest	All	2
3. Conflict of interest statements	Chuck Peterson	5
4. Communications procedures	Chuck Peterson	5
5. Governance Model Overview	Lee Lewis	15
6. 2013 Calendar	Chuck Peterson	5
7. Leadership transition	Chuck Peterson	5
8. Finance Committee <ul style="list-style-type: none">• November and December financial report• Form 990	Allan Coleman/Bob Siegfried	20
9. Sustainable funding team/communications <ul style="list-style-type: none">• Community Partner	Dan Caldwell/ Elisabeth Loeffler	15
10. Development Update	Lee Lewis	10
11. Contract for Development	Lee Lewis	5
12. Public Policy	Anna Tockman/Lee Lewis	10

Upcoming discussions:

Consent Agenda Items:

- Agenda
- Board minutes, November 12 and December 3
- Finance minutes, November 15 and December 20
- Executive Director's report

Enclosures:

- December financial statements
- Conflict of interest form
- Memo on development contract
- Legislative issues paper
- 2013 board calendar
- Form 990



Board of Directors Minutes

November 12, 2012

4:00 p.m.

Members present: John Atkinson, Bob Brandt, Dan Caldwell, Jeffery Flynn, Nancy Lee, Mark Linne, Chuck Peterson, Peter Scott, Robert Siegfried, Ann Ruff, Ryan Rollinson, and Anna Tockman

Members absent:

Staff present: Lee Lewis, Allan Coleman, Michele Boyer, and Elisabeth Loeffler

The meeting was called to order at 4:05 p.m.

I. Welcome, Introductions, Review & Approval of Consent Agenda

MOTION: Nancy Lee noted that the September board minutes did not mention that there had been an executive session. With that change Nancy made a motion to pass the consent agenda. Bob Brandt seconded it. The consent agenda passed.

II. Conflict of Interest

There were no conflicts of interest.

III. Leadership Transition

Ann Ruff and Nancy Lee are going to co-chair the search committee. Ann Ruff will step down from chairing the fund development committee. They are looking for people to join the search committee. Anyone interested should talk to Nancy or Ann

An RFP will be sent out to three local search firms. The position is also open to any board or staff members.

ACTION ITEM

Lee will send Chuck Peterson his job description.

This subject will be added to the January agenda.

IV. Strategic Plan Refresh

From the board retreat it was determined that the strategic plan needs to be evaluated and if it should be "refreshed." If it does, a committee may need to be developed. Chuck suggested that the process start at the board level and that forty-five to sixty minutes of the January, February and March board meetings be devoted to this evaluation.

The three areas of the strategic plan that will be evaluated are:

1. Does Clare Housing offer the right mix of services?
2. Does property development fit in the mission and what are the risk factors versus sustainability? Is it a good choice to rely on developers fees?
3. Is this a business model that has the right mix of revenues? Are we meeting our fundraising goals with our new strategies and how is Benevon working?

All senior management will be expected to attend all board meetings especially during the transition.

The executive committee will work with the agenda.

V. Governance

- Review/election of 2013 board members

Bob Brandt presented Kelsey Luers, Mark Bishop, David Vieths, and Roberta Jones as nominees for the 2013 board. Bob Siegfried moved to vote all four on the board. Ann Ruff seconded. There were no objections.

MOTION: Bob Siegfried made a motion to accept Kelsey Luers, Mark Bishop, David Vieths, and Roberta Jones as members of the board. Ann Ruff seconded. No one objected and the motion passed.

Bob Brandt will notify all of the new members.

- Election of officers for 2013

Because Jeffery Flynn, Nancy Lee, and Bob Siegfried are ending after 2013, they agreed to stay on until June. Chuck Peterson offered to stay on as the board president for the year. Dan Caldwell was concerned there might be a conflict with the bylaws but there was not.

MOTION: Ryan did a "friendly amendment" to allow Jeff, Nancy, and Bob to serve for half a year and to re-elect Chuck Peterson as President for the year. Dan Caldwell seconded. No one objected. The motion passed unanimously.

- Committee chairs

Governance: Bob Brandt

Finance: Bob Siegfried

Public Policy: Anna Tockman (through the legislative session)

Sustainable Fundraising:

These chairs do not need to be voted on. All committee members will talk to their members to determine who the members are. Members are encouraged to join a committee.

VI. Finance

September is really a "Good News-Bad News" sort of month.

We are \$14,000 over budget for payroll for the month. Most of that can be explained by the following:

- 1) September is a 3 payroll month, and the last month of budgeted payroll for Clare House. There's a 3rd payroll in the month (we budgeted 2), so the total for that is \$6,000.
- 2) The budget calls for Grace 2 and Damiano to be staffed by one person on the overnights. They are not. There's another \$3,000.
- 3) Labor Day-we don't specifically budget for holidays, but let them average out over the year. So, 7 locations at 12\$ shift X24 hours, call it \$2,000.

We do plan to convert Agape Dos to overnight asleep in the next month or two, so there will be some savings, but the inability to institute overnight monitoring will mean that payroll will be over budget for the foreseeable future.

While we are on the bad news part, we are \$10,000 short on CADI-the simplest answer is that we have emptied two beds at Clare House. There's way more ins and outs to the number, but that's the gist of it.

Thus concludes the bad news. The good news is really good.

- 1) The Bremer grant has been accrued at \$50,000, which is \$30,000 more than we budgeted.
- 2) The Red Ribbon Ride is \$6,000 to the good, most likely due to it being the 10th anniversary of the ride. And I'm guessing there is just a wee bit more to come.
- 3) All other expense categories are under budget to the extent that even with the payroll overage, we are \$10,000 under budget on the expense side of the budget.
- 4) One other thought that holds promise-when we planned to close Clare House, we didn't plan on moving the displaced residents into assisted living. As is it currently occupied, the assisted living program could generate \$61,000/month (budget \$57,500) for the rest of the year. Michele is still looking for another client or two for Midtown

We've lost \$26,000 less than we budgeted YTD. Not bad, but should be better. The payroll trend remains a concern.

Allan is dispensing with the subsidy worksheet and the restricted income statement for reasons stated last month. Rest assured that October financials WILL feature the return of restricted income.

- Project Cornerstone resolution

MOTION: Every year Project Cornerstone gets a grant from Minnesota Housing. A resolution was presented that allowed Clare Housing to receive that grant. Bob Siegfried made a motion to pass the resolution. Ann Ruff seconded it. There were no objections and the resolution was passed.

VII. Journey Home Team/Communications

The results of the Journey Home breakfast were reviewed.

Give To The Max day is on November 15.

Ann Ruff will be stepping down as the chair. A new chair has not yet been found.

It has yet to be determined who will be going to the Benevon training in Dallas in 2013.

VIII. Public Policy

Faegre Daniel Baker has been contracted to be our Lobbyist. We are putting together the political strategies. This will be a one page positions paper. Lee is becoming a registered lobbyist.

IX. Holiday Party

The holiday party will be held on December 18 from 5:00 to 7:00 p.m. at Lee's house. New board members will be invited. Elisabeth will work on the head count.

NEXT BOARD MEETING

The next board meeting will be on January 22.



Board of Directors Minutes

December 3, 2012

12:00 p.m.

Members present: Dan Caldwell, Jeffery Flynn, Nancy Lee, Mark Linne, Chuck Peterson, Peter Scott, Robert Siegfried, Ann Ruff, Ryan Rollinson, and Anna Tockman

Staff: Lee Lewis

I. Purchase Property at 2200 Park Avenue in Minneapolis

A special board meeting was held to vote on whether Lee could move forward with the purchase on 2200 Park Avenue.

Lee presented Dan Hunt's evaluation.

MOTION: Jeffery Flynn made a motion to authorize Lee Lewis to proceed with a purchase agreement on the property at 2200 Park Avenue with an offer up to \$800,000 with \$15,000 in earnest money. Ryan seconded.

Further comments:

Ann Ruff was uncomfortable with moving forward with because with Lee's transition, she felt it was bad timing to take on a project with risks.

Bob Siegfried agreed and felt it added an increased risk during a time of leadership transition. He thought it added an element of risk that was disproportionate with the possible gain.

Nancy Lee agreed but also thought that because our business model is based on construction fees, we need to have a project. She noted that if we don't have a project soon, we will have a different financial risk.

Lee noted there would be a sixty day due diligence period during which there would still be time to terminate the purchase. This would allow him to give updates at the January and February board meeting on how the project is going and to allow the board to decide if it should move forward.

A vote was cast. 7 voted in favor and 3 voted against. Lee will move forward with the purchase.

II. Purchase offer for Clare Housing

MOTION: Bob Siegfried made a motion to authorize Lee Lewis to negotiate the sale of Clare House at the best possible price he can get. Ann Ruff seconded. All were in favor.

Clare Housing Finance Committee Minutes
November 15th, 2012

Meeting called to order 5:14. Present-Bob Siegfried, Dan Hunt. Staff-Lee Lewis, Allan Coleman.

Vicki Fraher, Fraher Insurance, reviewed the insurance coverage for liability, excess liability, crime, work comp & D&O, noting a reduction in premium for the year.

She also brought up the subject of cyber insurance, including a \$10,000 deductible.

Dispensed with discussion of October results as this was covered in the notes that were sent out with the statements.

Discussed auditor's recommendation that executive director review copies of all checks that have cleared bank. The committee decided that the executive director had better things to do with his time.

Discussed total loss per consolidated audit of \$400,000. It was suggested that we add some sort of footnote to our Guidestar filing.

In order to facilitate an upcoming publication, it was decided to give the audited numbers to the designer and seek finance committee approval of the audit via e-mail.

Lee updated the committee on progress regarding potential purchase of the Mattress Factory and the McKnight mansion.

The committee reviewed the metrics.

Clare Housing Finance Committee Teleconference

December 20th, 2012

Present-Bob Siegried, Nancy Lee, John Atkinson, Kelsey Luers, Dan Hunt, Bill Murtaugh. Staff-Lee Lewis, Allan Coleman

The finance committee met via teleconference to discuss the 990.

The following questions arose:

Page 5, Part III, 4a Can we change the section that says “steady at 24” to reflect that we had 20 residents in foster care at June 30th?

4b Can we make note at the end of that paragraph that the verbiage is continued later in the tax return on one of the schedule? Several members of the committee initially read it and thought “Where is Midtown?” only to find it later.

Page 6, question 19-We don’t really see our annual breakfast as a fundraising event, but rather a culmination of our fundraising year. To me at least, a fundraising event involves buying a ticket, and there are generally fundraiser within the event, like silent auctions and such.

Page 7 35b-Please assure us that the developer’s fee and any of the other transactions that go back and forth between Clare and the LP’s does not fall under section 512(b)(13)

Page 9, 15b We do use comparability data in determining the salary rates of other key employees

16a-Joint ventures. What are we considering “joint ventures”?

Page 25-Where did we get the amount of \$200 for lobbying expenditures?

Page 31-Last line-instead of “No change from last year”, can we spell out the process please?

The committee determined that the 990 was appropriately prepared pending disposition of the above questions.

Executive Director Report

December 11, 2012

Acknowledgements

Yesterday I sent the board an email about the unexpected death of a caregiver, Gwen Olson. On Saturday I attended the memorial service for Larry Patnoe-Ellis at Grace II. I was deeply touched and reminded of the reasons I do this work. Our thoughts and prayers go out to the families of Gwen and Larry.

[FYI: we have scheduled sessions for staff to support them in grieving and dealing with emotions that are evoked at the sudden loss of a respected co-worker.]

Mattress Factory

I presented our proposal to the Nicollet Island-East Bank Neighborhood Association on Tuesday. We had supportive statements from the executive director of the Corcoran Neighborhood Organization [Midtown] and a board member of Saint Anthony East Neighborhood Association [Clare Apartments].

Given the work we had done on this site, submitting a proposal was a relatively easy/low-cost endeavor. Though I don't think we'll be selected, I felt it was important to make the effort, show up and answer questions. I wanted to mend any relationships that might have been frayed and send the message that we are a committed developer. Without expending much political capital, I wanted make it clear that Clare Housing is going to be standing for another day and another development.

And it's not over. The city council's community development committee will decide which proposal to recommend to the city council next month. It's my impression that city staff will not recommend one proposal over the other. I will be prepared to present our ours to the committee. Again, I have no expectation that our proposal will be selected.

McKnight Mansion

We are in negotiation for the purchase of the McKnight mansion, 2200 Park Avenue. An offer and two counter offers have been exchanged. I will keep you posted.

Clare House

It appears that our first offer fizzled. The interested party was not able to convince Ramsey County to transfer the adult foster care license to them. There has been quite a bit of on-line interest, but so far no other offers.

December 2012 Financial Notes

While CADI occupancy was at not quite at our budgeted goal of 95%, CADI income for the month is nevertheless positive. This is due mostly to Clare Apartments, which was once again \$3,000+ positive. It is also worth noting that while Foster Care had nearly the equivalent of one empty bed for the month of December, it was on budget. This can be credited to the fact that the last 3 or 4 residents that came into Foster Care all came in at rates of at least \$200/day. Foster Care was 100% occupied as of 12-22-12.

Foundation grants were \$35,000 for the month, which puts us over budget for the year, and there are still a couple of donors that we usually hear from in the late spring. The overage for the month is mainly due to our receiving a grant from MAC Aids fund in the amount of \$25,000. We also received \$5,000 from St. Joan of Arc's Social Justice Program. Neither of these grants was projected in the original budget. The other \$5,000 was from one of our regular contributors, the Bazinet Foundation.

While HOPWA income shows a negative variance for the month, please keep in mind that HOPWA income is tied directly to payroll. When the budget is entered into the accounting software, December and June are assumed to be months in which 3 payrolls are paid. When I finally figure out which months those actually are, I go back and adjust the salary lines to reflect the proper month, but not the benefits or the HOPWA income. So this is a long winded way of saying that HOPWA income is just fine for a month in which we had two payrolls.

Individual giving continues to show a negative variance. However, it is worth noting that of the 75 people who made multi-year pledges in 2011, 63 of them have made one or more payments. There will be some supplementary information about pledges and payments for the meeting. I hope to get it out early next week.

PAYROLL EXPENSES

Payroll continues to be over budget for issues discussed in prior months, with some additional due to double staffing at one of the homes in early December when a client went into hospice.

As mentioned above in regard to HOPWA, the benefit lines are unadjusted for the difference in payrolls. The important thing to note is that for the YTD, we are under budget in total for benefits. All this can be attributed to Health Insurance. Health insurance is under budget for a variety of reasons. First and foremost, we greatly exceeded the budget in the past two years, so there may be an overcorrection in this budget. Secondly, we had some staff turnover when we closed Clare House and this reduced our costs. Lastly, we budgeted for an increase effective 1-1-13, but as we are already at the highest rates, we actually saw a small decrease in rates.

PROGRAM EXPENSES

We continue to have some timing issues with grocery bills and will see if we can't resolve that. There is not much of a possibility that this will be a source of savings at year end.

On the other hand, we are not using nearly as many substitute caregivers as we did last year, which somewhat offsets our payroll overage. I believe that this trend will continue.

OFFICE EXPENSE

This is under budget for the month and the year, mostly due to consultant expense. Given that we will be paying a lobbyist and a search committee, it is expected that we will spend the remaining funds.

FACILITIES

Nearly dead on budget for the year, and remember-this includes \$15,000 plus to get Clare House ready to sell.

Questions or comments, please let me know

Allan

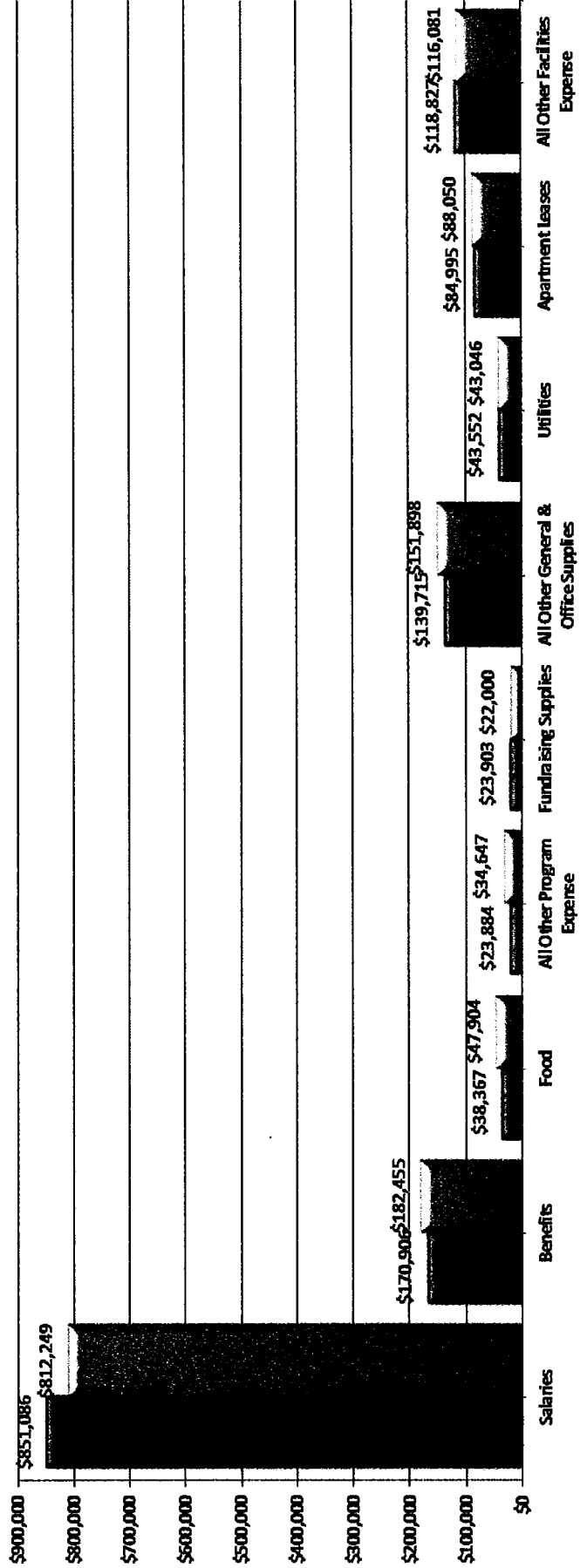
Clare Housing

Selected Expenses by Account

December, 2012 Year-To-Date

Actual Budget

Selected Natural Expenses vs. Budget - Year-To-Date



December Year-To-Date

Fav. (Unfav.)
vs. Budget

Actual Budget

Total Expenses

\$1,495,235

\$1,498,303

\$3,068

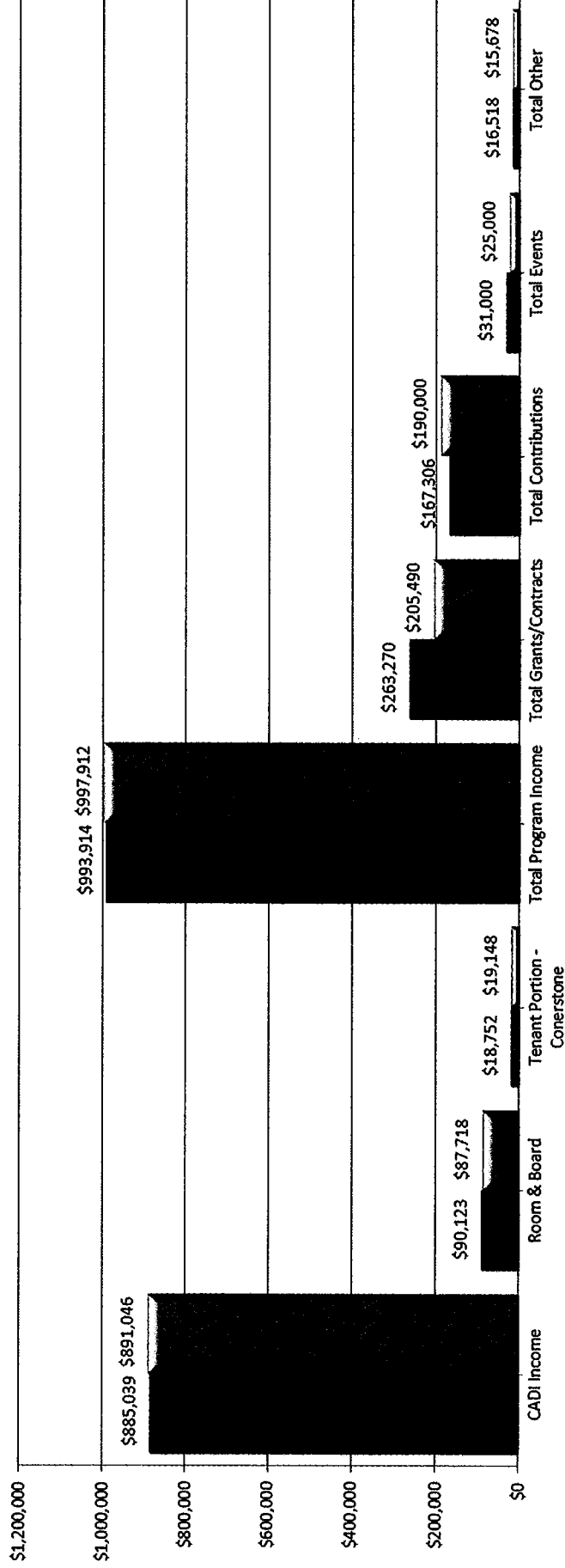
Clare Housing

Revenue by Account

December, 2012 Year-To-Date

Revenues Actual vs. Budget - Year-To-Date

Actual Budget



December Year-To-Date

Revenues		December Year-To-Date		Fav. (Unfav.) vs. Budget	
Actual		Budget			
\$1,472,008		\$1,434,080		\$37,928	

Clare

For the Six Months Ending December 31, 2012

	December	June 30, 2012
ASSETS		
Current Assets		
Petty Cash	\$522.78	\$522.78
Checking - Bremer Bank	45,858.95	5,894.80
Bremer Money Market	228,720.98	248,414.15
Money Market - Bremer	374,433.43	248,852.92
Investment-USB	1,016.68	116,501.84
Cash Investments	650,552.82	620,186.49
Accounts Receivable	26,048.98	36,633.29
Accounts Receivable	177,519.94	177,419.94
Accounts Receivable	203,568.92	214,053.23
Pledges Receivable - General Fund	197,319.38	136,348.80
Pledges Receivable - Capital Campaign	425.00	700.00
Contributions Receivable	197,744.38	137,048.80
Grants Receivable	14,709.00	29,730.00
Resident Reimbursements	1,002.88	2,555.00
Total Pass Through	1,002.88	2,555.00
Accrued Interest Receivable		
Due From Limited Partnership-Clare Apts	102,571.25	147,848.25
Due From Limited Partnership-Clare Hiawatha		40,000.00
Prepaid Expenses	49,255.47	50,243.38
Lease Deposits	7,518.77	7,013.77
Total Other Current Assets	159,345.49	245,105.38
Total Current Assets	1,226,923.49	1,248,678.90
Fixed Assets		
Buildings-Office Space	520,381.53	520,381.53
Buildings-Homes	1,520,871.28	1,514,755.28
Accum Depr-Buildings	(436,693.45)	(407,893.45)
Bldg Improvements	522,733.38	522,733.38
Accu Depr-Bldg Improvements	(157,611.84)	(151,611.84)
Furniture and Equipment	260,686.65	252,768.88
Accum Depr-Fun & Equipment	(214,944.95)	(202,944.95)
Land	126,106.00	126,106.00
Land Improvements	54,419.18	43,924.18
Accum Depr-Land Improvements	(26,616.67)	(25,416.67)
Total Fixed Assets	2,169,325.31	2,192,796.34
Other Assets		
Investment in Limited Partnership-Clare Apts	74,650.00	74,650.00
Investment in Limited Partnership-Clare Midtown	30,000.00	30,000.00
Development in Progress	8,015.63	
Accrued Interest Receivable	164,991.00	164,991.00
HOPWA Note Receivable	850,000.00	850,000.00
SHP Note Receivable	400,000.00	400,000.00
FHLP Note Receivable	146,970.00	146,970.00
Total Other Assets	1,674,626.63	1,666,611.00
Total Assets	\$5,070,875.43	\$5,108,086.24
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LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable	16,609.58	28,434.85
Other Current Liabilities		
Unpresented Checks	380.20	380.20
Accrued Payroll Liabilities	(2,969.11)	3,059.85
Accrued Payroll	35,695.35	35,812.19
Accrued Time Off Payable	72,910.44	78,773.46
Total Other Current Liabilities	106,016.88	118,025.70
Accrued Expenses		
Accrued Expenses	11,696.01	1,655.44
Accrued Interest Payable	7,836.16	7,836.16
Total Accrued Expenses	19,532.17	9,491.60
Total Current Liabilities	142,158.63	155,952.15
Long Term Liabilities		
Notes Payable - CPED	60,000.00	60,000.00
HOPWA Deferred Revenue	850,000.00	850,000.00
SHP Deferred Revenue	400,000.00	400,000.00
FHLP Deferred Revenue	146,970.00	146,970.00
Deferred Revenue-Other	1,000.00	1,000.00
Deferred Grants	36,000.00	36,000.00
Total Long Term Liabilities	1,493,970.00	1,493,970.00
Total Liabilities	1,636,128.63	1,649,922.15
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EQUITY		
Unrestricted Net Assets	2,827,194.41	2,786,252.86
Net Assets - Board Designated	100,000.00	100,000.00
Temporarily Restricted Net Assets	530,969.68	530,969.68
Net Income	(23,417.29)	40,941.55
Total Equity	3,434,746.80	3,458,164.09
Total Liabilities & Equity	\$5,070,875.43	\$5,108,086.24
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Clare
Income Statement
Summary of All Units
For the Six Months Ending December 31, 2012

	Monthly		Variance	Year to Date		Variance	Annual Budget
	December	Budget		YTD	Budget		
Income							
CADI Income	147,658	142,817	4,841	885,039	891,046	-6,007	1,741,038
Room & Board	13,005	12,996	9	90,123	87,718	2,405	165,682
Tenant Portion-Cornerstone	3,193	3,191	2	18,752	19,148	-396	38,296
Total Program Income	163,856	159,004	4,852	993,914	997,912	-3,998	1,945,016
Grants/Contracts							
Foundation/Corporate Grants	35,000	0	35,000	103,200	35,000	68,200	75,000
HOPWA	12,707	18,163	-5,456	86,972	93,978	-7,006	187,960
MHFA Income	11,714	12,752	-1,038	73,098	76,512	-3,414	153,024
Total Grants/Contracts	59,421	30,915	28,506	263,270	205,490	57,780	415,984
Contributions							
Individual Gifts	18,606	35,000	-16,394	164,191	190,000	-25,809	250,000
Community Events	1	0	1	3,115	0	3,115	0
Total Contributions	18,607	35,000	-16,393	167,306	190,000	-22,694	250,000
Events							
Minnesota Aids Ride	0	0	0	31,000	25,000	6,000	25,000
Total Events	0	0	0	31,000	25,000	6,000	25,000
Other							
Partnership Management Fee	14,928	8,582	6,346	14,928	14,928	0	14,928
Interest Income	125	125	0	768	750	18	1,500
Other Income	-305	0	-305	822	0	822	201,500
Total Other	14,748	8,707	6,041	16,518	15,678	840	217,928

Total Income	256,632	233,626	23,006	1,472,008	1,434,080	37,928	2,853,928
Expenses							
Salaries and Benefits							
Salaries Expense	123,389	119,359	4,030	851,086	812,249	38,837	1,581,711
FICA Expense	9,317	13,645	-4,328	62,457	62,137	320	121,001
Unemployment Tax	1,120	799	321	6,713	4,797	1,916	9,594
Health & Dental Insurance	8,022	19,589	-11,567	77,864	89,210	-11,346	173,720
Long/Short Term Disability Ins	1,192	1,285	-93	6,140	5,854	286	11,400
Pension	2,276	3,944	-1,668	15,337	17,957	-2,620	34,972
Employee Recognition	2,425	2,500	-75	2,395	2,500	-105	2,500
Total Salaries and Benefits	147,741	161,121	-13,380	1,021,992	994,704	27,288	1,934,898
Program Expense							
Food	3,327	7,434	-4,107	38,367	47,904	-9,537	92,508
Household Supplies	773	750	23	6,008	4,875	1,133	9,375
Medical Supplies	544	1,011	-467	6,910	6,366	544	12,432
Activities	24	1,000	-976	1,435	6,150	-4,715	12,150
Resident Transportation	135	500	-365	3,045	3,150	-105	6,150
Substitute Caregivers	0	1,166	-1,166	2,092	7,656	-5,564	14,652
Other Program Expense	695	1,025	-330	4,394	6,450	-2,056	12,600
Total Program Expense	5,498	12,886	-7,388	62,251	82,551	-20,300	159,867
General & Office Expense							
Fundraising Supplies	418	500	-82	23,903	22,000	1,903	25,000
Dues & Subscriptions	1,203	0	1,203	8,803	6,500	2,303	6,500
Office Supplies	686	1,235	-549	4,284	7,710	-3,426	15,120
Meeting Expense	1,347	510	837	4,499	3,060	1,439	6,120
Postage/Shipping	438	333	105	3,069	2,000	1,069	4,000
Advertising/Recruiting	0	167	-167	2,132	1,000	1,132	2,000
Printing & Copying	120	417	-297	2,556	2,500	56	5,000
Publications	1,033	833	200	5,897	5,000	897	10,000
Workshops & Conferences	175	800	-625	5,490	5,400	90	30,200
Public Relations	0	1,000	-1,000	3,076	6,000	-2,924	12,000
Travel	3,037	166	2,871	7,725	2,603	5,122	12,199
Auto Expense	111	100	11	3,692	1,125	2,567	1,725
Equipment Rental	540	375	165	2,946	2,250	696	4,500
Payroll Service	7,737	5,833	1,904	38,702	35,002	3,700	70,000
IT Support Maintenance	1,776	2,950	-1,174	13,895	17,850	-3,955	35,550
Web Site Services	0	167	-167	541	1,000	-459	2,000
Accounting Fees	0	0	0	8,539	8,000	539	11,500

Legal Fees	0	250	-250	174	1,500	-1,326	3,000
Miscellaneous Consulting	213	6,500	-6,287	14,872	38,998	-24,126	78,000
Licenses & Permits	0	0	0	3,519	2,000	1,519	4,000
Bank Charges	302	450	-148	1,935	1,500	435	3,300
Miscellaneous Expense	267	150	117	3,369	900	2,469	1,800
Total Gen & Office Expense	19,403	22,736	-3,333	163,618	173,898	-10,280	343,514
Facilities Expense							
Electricity	2,457	2,300	157	14,822	14,800	22	28,600
Natural gas	777	800	-23	3,826	5,600	-1,774	10,400
Water/Sewer	925	655	270	5,371	4,230	1,141	8,160
Telephone	2,733	2,403	330	16,202	15,646	556	30,064
Cable TV	738	405	333	3,331	2,770	561	5,200
Small Equipment	0	475	-475	2,827	3,250	-423	6,100
Apartment Leases	13,837	14,675	-838	84,995	88,050	-3,055	176,100
Damage Claims	0	250	-250	150	1,500	-1,350	3,000
Equipment Repairs	0	0	0	443	0	443	0
Building Repairs	0	1,000	-1,000	0	7,000	-7,000	13,000
Building Maintenance	3,989	2,400	1,589	37,033	16,800	20,233	31,200
Property/Liability Insurance	2,508	3,417	-909	13,818	20,498	-6,680	41,000
D&O Liability Insurance	219	200	19	628	1,200	-572	2,400
Work Comp Insurance	2,570	3,608	-1,038	15,631	16,433	-802	32,000
Property Taxes/Assessments	0	0	0	297	300	-3	1,925
Depreciation Expense	8,000	7,450	550	48,000	49,100	-1,100	93,800
Total Facilities Expense	38,753	40,038	-1,285	247,374	247,177	197	482,949
Total Expense	211,395	236,781	-25,386	1,495,235	1,498,330	-3,095	2,921,228
Net Income	45,237	-3,155	48,392	-23,227	-64,250	41,023	-67,300

Clare Housing

Conflict of Interest Information Form

Name: _____

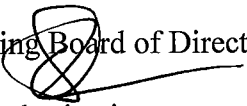
Date: _____

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in Clare Housing's Policy on Conflicts of Interest) arising.

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of Clare Housing that is currently in effect.

Signature: _____ Date: _____

MEMORANDUM

To: Clare Housing Board of Directors
From: Lee Lewis 
RE: Contract Authorization
Date: January 17, 2013

I am requesting authorization to enter a contract with Master Engineering, Development and Construction. The contract is for development and entitlement services for a site at 3559 France Avenue North, Robbinsdale. The cost is \$51,585.

Master will work with the city and the bank that owns the property to obtain the necessary variances and city approvals and close on the purchase. [Master has already negotiated a 20% discount on the price of the property.] I have discussed with our housing consultant, Barb Broen, about handling the cost within the development budget. She thinks that it can be considered a land acquisition cost, so we should be able to recover it when we close on the permanent financing for the project; otherwise, it would, in essence, come out of the developer's fee.

I have spoken with both Dan Hunt and Steve Wellington to obtain references for Master and am comfortable entering the contract. Master has worked in Robbinsdale in the past and has good working relationships with city staff and the bank that owns the property. Doing this type of work for owners is a part of their portfolio.

Assuming we can obtain the necessary zoning variances and city support, the property would work very well for our next development. We will be making step payments [see attached], so will be able to terminate the contract if the process stalls. If we are able to work within the timeline outlined, we will have site control in time to apply for tax credits this round.

Under our governance policies and finance procedures, I am not authorized to sign a contract with a consultant for more than \$20,000. Therefore I am asking the board to authorize the execution of the contract. However, because of the timeliness of the project, I have authorized phase I for \$20,500.

If this business relationship works well it could provide a template for future site entitlement. Depending on decisions made during the board's upcoming "strategic refresh," it could have implications for the executive search and the skills/knowledge needed "in house."



■ ENGINEERING
■ DEVELOPMENT
■ CONSTRUCTION

COMPENSATION

DEVELOPMENT SERVICES:

Phase 1:	Retainer: Project Start	\$ 20,500.00
1/11/2013	(Entitlement and development work completed)	
Phase 2:	Acquisition: LOI to Purchase Agreement	\$ 12,500.00
2/1/2013	Negotiate Purchase Agreement with Seller	
	City Regulatory Approvals and Submittals Schedule	
	Architecture / Civil Engineering / Environmental Coordination	
Phase 3:	Due Diligence	\$ 7,500.00
2/20/2013	City Meetings for Zoning and Planning Approvals	
	Neighborhood Relations and Meetings	
Phase 4:	Development	
3/15/2013	Real Estate Services to complete Land Closing	\$ 7,500.00
	Title Work / Survey / Recordation /	
	Design & City Approvals	
Phase 5	At Project Completion:	\$ 3,685.00

TOTAL ENTITLEMENT FEE FOR THIS PROPOSAL:	\$ 51,585.00
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CONSTRUCTION SERVICES:

Phase 1:	Feasibility Analysis	\$ No Charge
Phase 2:	Pre-Development / Due Diligence	\$ No Charge

Certain Owner's costs associated with the environmental studies, market studies, structural engineering reports, architectural, interior design, specific project engineering, construction or any other 3rd party consulting or contracted services are not included in this proposal. Additional services beyond the scope of this proposal and authorized by the Owner will be billed in accordance with agreed upon rates.

Sincerely,
Master Properties Minnesota, LLC

Don Gerberding
Principal / CEO

2013 Legislative Priorities

DRAFT

Over the past 25 years, Clare Housing has been a leader in the transformation and innovation of supportive housing for people living with HIV/AIDS. Clare Housing is the largest housing provider for people living with HIV/AIDS in Minnesota, annually serving 150 individuals (of about 7,000 people statewide) who are low-income and have experienced homelessness, long-term homelessness, or are at risk of becoming homeless. The following are Clare Housing's Legislative Priorities for the 2013 legislative session:

Obtain Cost of Living Increase for Home and Community Based Services Waivered Programs

Very important. We will support the efforts of ARRM and Care Providers. A 2.5% COLA would increase our revenues by about \$43,000/year which is only about 1% of our total revenues, but it goes into the base.

Community Alternative for Disabled Individuals (CADI) is the primary Medicaid waiver program that funds the services provided by Clare Housing in the foster care homes and assisted living programs. Throughout the past five years, the CADI rate changes have equaled 0.1%, while the inflation rate is at 9.9%. Clients at Clare Housing were also subject to a targeted cut that reduced CADI revenues by 6%, or \$120,000 per year.

Clare Housing significantly reduced costs over the last five years through implementation of overnight monitoring by technology and asleep overnight staffing. Clare Housing also created a less-expensive model of care (24-hour customized living) that meets the needs of a number of individuals for whom adult foster care was previously the only option.

Stagnant wages make it difficult to retain employees. Care suffers with regular staff turnover. Additionally, there is considerable cost in recruiting, hiring and training new staff. Stagnant rates make it extremely difficult to provide quality services to a vulnerable population.

Remove Limitations on HCBS Waivers in a Building

Very important. We will take the lead on moving legislation. It's a critical issue if we are to be able to replicate our current model of permanent supportive housing with assisted living. It's important for the ability of many nonprofits to provide services to house homeless, mentally ill, chemically dependent and at-risk populations. I would be heavily involved in bringing together organizations, individuals, coalitions and associations. It would also be a major focus for Faegre because we would be moving legislation. Our lead will position us as a significant player.

In 2012, the Minnesota State Legislature enacted legislation that limited the ability of people living in a single building to receive Home and Community Based Services waiver benefits. The legislation states that no more than 25% of the people living in any one building can receive HCBS. At the time, the legislature believed that CMS was going to employ a similar cap in their regulations; however, CMS has not issued a final ruling on this matter and subsequent proposed rules have not included caps. As CMS does not restrict HCBS waivers in buildings, the state of Minnesota should not either. This is especially true in the context of Olmstead, where these restrictions may reduce both the array and aggregate number of housing options available. To ensure maximum choice for all tenants the cap should be removed from law, and we should allow those receiving HCBS benefits to determine where they want to live on their own.

Increase Minnesota's Housing Trust Fund [HTF]

Very important. We will support Minnesota Coalition for the Homeless' work. Restore a previous \$2 million reduction and increase the HTF an additional \$2.5 million to \$23.61 million for the biennium. The HTF provides rental assistance, operating subsidies and capital funding for affordable housing for low-income households, many have been homelessness and long-term homelessness. Lack of affordable housing stock is the fundamental cause of homelessness in the state.

Increase Long Term Homeless Supportive Services

Very important. We will support MCH and other organizations. Increase the funding of the DHS Long term Homeless Supportive Services Fund by \$10 million to \$19.9 million. The Fund provides services to individuals, youth, and families in supportive housing.

Rescind Waiver Reduction of 1.67%

? importance. We will support ARRM's efforts. I don't think I fully understand the implications.

Rescind legislation passed by the 2012 Legislature mandating a 1.67% reduction in rates for waived services if application to CMS for the nursing home level of care waiver is was not approved, CMS denied the waiver in December. Nevertheless, the reduction should be rescinded. The reduction compounds the above-identified problems.

Roll Back of the 10% Low Needs Reduction

Important. We will support ARRM's work. This is a significant financial issue for us [\$72,000/year, more than the COLA, above] and, realistically, if it's going to happen we would need to provide more leadership than our association will muster; most of that would be my work organizing other agencies. It's an example of trying to clean up very, very poor legislation. But, this could be a rather lonesome slog.

The 2011 Legislature approved a 10% cut in CADI rates for individuals deemed low-need and living in congregate settings, such as adult foster care and housing with 24-hour customized living services. The assessment tool determining "low-need" did not adequately assess the need for behavioral support. DHS and the HHS Committees recognized that this cut had unintended consequences.

Most of Clare Housing's CADI clients receive services because of medical conditions *and* dementia or mental illness. The assessment tool did not catch those needs, resulting in a determination of "low-need" for 60% of Clare Housing's clientele and leading to a 6% reduction in CADI revenues.

The 2012 Legislature attempted to rectify by rolling back the reduction to 5% contingent on approval from CMS for a waiver request. The 2011 and 2012 legislation should be completely rescinded.

Create Consistent Payment Methodologies

Very important. We will support ARRM's work. It's a huge administrative/policy issue for us and, though we won't have much impact, we need to be involved.

The Centers for Medicare and Medicaid (CMS) mandated DHS to create consistent payments for Home and Community Based Services (HCBS) across the state. DHS established the rate methodologies project, which is extremely complicated and involves a multitude of stakeholders. As this is an administrative issue that often cycles into the Legislature, we want to ensure that the result:

1. Takes into account the complications presented by HIV/AIDS, including the fact that it is a communicable disease; and

2. Recognizes regional differences in costs of compensation.

Reverse Legislation Forcing Bed Closures

Moderately important. This is ARRM's issue. Though it affects us, we could probably drop it as our issue.

Reverse legislation passed by the 2012 Legislature mandating the closure of 128 corporate adult foster care beds for a savings of \$2.1 million. Though the AFC is an expensive model and alternatives should be developed, the need for the beds currently exceeds the supply. The need will only increase due to an aging population and increases in autism.



Clare Housing 2013 Board Calendar

All meetings are from 4-6 p.m. at Clare Apartments unless otherwise noted.
Monthly consent agenda will include the following updates as appropriate: financial; program/mission; fund development/grant; and public policy.

Date	Agenda
January 22	<ul style="list-style-type: none"> • Overview of governance model • Review communication procedures • Discuss and sign conflict of interest statements
February 26	<ul style="list-style-type: none"> • Strategic discussion
March 26	<ul style="list-style-type: none"> • Results of monitoring of governance policies presented (Governance Committee) • Strategic discussion
April 23	<ul style="list-style-type: none"> • Draft annual ends policies [outcomes] for FY2014 presented • FY2014 budget preview
May 28	<ul style="list-style-type: none"> • Annual end policies for FY2014 approved • FY2014 budget approved • Annual review of governance policies
June 25	<ul style="list-style-type: none"> • Board self-evaluation results presented & discussed
July	No Board Meeting
August 27	<ul style="list-style-type: none"> • Board recruitment update
September 24	<ul style="list-style-type: none"> • Review progress on strategic plan • Board recruitment update
Change in date October 22	Board Retreat Saturday, October 22 including annual meeting <ul style="list-style-type: none"> • Audit presented and approved
Change in date November 19	November 19 <ul style="list-style-type: none"> • Election of new board members • Election of current board members to 2nd term • Election of officers for 2014
Change in date No board meeting December	Holiday Event: December 17