



**ABBREVIATED AUGUST 18, 2022, AGENDA  
FOR EXECUTIVE COMMITTEE BRIEFING  
August 2, 2022**

1. *Tentative – Resolution to serve as Pass-Through Entity for City’s Office of Violence Prevention for funding from the National League of Cities – Program or Finance Committee*
2. Resolution to approve nomination of one or more potential Trustees – Carolyn, Nominating Committee
3. Resolution to Approve Committee Chair Responsibilities and Committee Charters – Carolyn, Nominating Committee
4. Demonstration of the Trustee web portal (accessed via MHB’s website) – Sue, Digital Director
5. Strategic Plan update - Cassandra
6. Sunshine Law compliance – discuss any recommended changes based on recent City trainings - Cassandra
7. Agency Presentations – currently scheduling
8. Staff Report - Cassandra

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**EXECUTIVE COMMITTEE UPDATES**

**Forward Thru Ferguson Philanthropic Racial Equity Roundtable**

- Terrell and I attended the first session virtually July 22. The focus was primarily orientation and level-setting for the coming work.

**\$1M ARPA Youth Violence Prevention Funding**

- City Health Dept. Director Dr. Mati Hlatschwayo Davis informed Serena that our requested change in the project’s implementation period from November 2022 to April 2022 – March 2023 has been approved and is somewhere in the City’s multiple signature routing process.

**\$2M ARPA Early Childhood Funding**

- MHB received the fully executed agreement on July 12. Discussion on this topic will be the primary focus on this month’s executive committee meeting. Please see separate attachment.

## **SAMHSA Community Project Funding for VPC Gun Violence Response Network**

- No update.

### **Staff**

- Staff salaries were increased July 1 as a result of the 6% COLA. The conversion from sick leave, vacation, and personal days to PTO was seamless. The executive director's personal services agreement was revised to include the recent personal policy changes approved during the closed session of the June 16 Board meeting.

### **Allocations**

- FY19-22 CCSF grant cycle closeout was successfully completed. Total funding recaptured due to underspending at cycle-end is \$663K+. All FY23 contract initiation payments were made via ACH on July 29.
- A FY23 virtual Reporting Training was conducted on July 29 from 9-10:30 AM with one or more representatives from every CCSF funded project in attendance. The training covered Q2 & Q4 reporting, Pre-Site Visit reports, FY24 Renewal Application (CCSF projects). More than 95 participants attended. The training was recorded and the slide deck and recording will be posted to MHB's grant portal.

### **Finance Committee**

- We anticipate that staff will request to convene the Committee in late September to review the year-end close, discuss reserve policies, and review a revised budget.

### **Nominating Committee**

- The Committee has interviewed four of the six current applicants and is in the process of scheduling the final two interviews. Following the final interviews, the Committee will meet to discuss all six candidates and whether they wish to move any forward for nomination at the August 18 Board meeting. Michele Knox from the Mayor's Office of Boards & Commissions informed MHB that the Board of Aldermen has been rejecting candidates that do not increase the racial diversity and geographic representation of the City.

### **Program Committee**

- Wil Pinkney, the newly appointed Director of the City's Office of Violence Prevention, is requesting MHB to serve as a pass-through entity for \$700K in funding over 2 years from the National League of Cities. Mr. Pinkney has submitted a budget to be reviewed by the Program and Finance Committees in August. Should the Committees recommend moving forward with the request to serve as a pass-through entity, the resolution would likely be presented to the full Board at the August 18 meeting.

### **Housing Committee**

- The Committee will meet in August to discuss an application for Marquette Homes received from the Lutheran Development Group to create PSH units for veterans and their families in Gravois Park and Dutchtown. The Committee met briefly to discuss a letter of

intent received from DOORWAYS for the second phase of development on the Jefferson Ave. campus, Elliot Homes, and invited DOORWAYS to submit a full application which is pending.

### **Personnel Committee**

- No update

### **September 15, 2022, Board Agenda Preview**

Public Hearing for tax rates prior to meeting

1. Resolution to approve 2022 estimated tax rate for CMHF – Executive Committee
2. Resolution to approve 2022 estimated tax rate for CCSF – Executive Committee
3. *Tentative - Resolution to accept federal funding (SAMHSA VPC GVRN) – Program Committee*
4. Resolution to approve revisions to MHB's accounting policies and procedures – Finance Committee
5. Preliminary unaudited FY22 year-end financials – Susan, Controller
6. Agency Presentations – currently scheduling
7. Staff Report - Cassandra



**SAINT LOUIS MHB**

**Justification for Request to Terminate EC ARPA Contract with CDA**

There have been many hurdles to establishing the partnership between Saint Louis MHB and the City of St. Louis Community Development Administration (CDA) in order to provide emergency relief funding to childcare providers in the City of St. Louis. When the City of St. Louis Office of the Mayor asked MHB to accept ARPA funding for distribution to childcare centers, we began working immediately to design a process to distribute funding equitably and quickly to childcare providers most impacted by the economic hardships of the pandemic.

Based on our previous experience administering CARES Act dollars, we believed that we could again provide an efficient distribution process. However, despite our best efforts to negotiate terms that would be favorable to childcare providers, none of the conditions that we believe to be necessary for a crisis response funding program were met by CDA. Still, we proceeded to honor the spirit of partnership that we were trying to establish with CDA and entered into a contract that we hoped would still allow us to effectively serve childcare providers.

Unfortunately, after nearly a year of negotiating, key terms of our agreement with CDA were reversed after the contract was signed. For that reason, MHB believes that it is in the best interest of MHB and the early childhood community that we terminate the existing contract. The table below summarizes the factors that have led to the staff's recommendation not to move forward.

**Key Factors Contributing to the Recommendation to Terminate the EC ARPA CDA Contract:**

Contract Negotiation Phase	Post Contract Execution
<p><b>We expected to be able to pay childcare providers as quickly as possible.</b></p> <ul style="list-style-type: none"> <li>We requested upfront funding before opening the application process to ensure that childcare providers could be paid as soon as possible. This request was denied.</li> <li>We asked for an estimate of how long it would take for our invoices to be paid if they were submitted with the required supporting documentation and we were told that it might take 2 – 4 weeks. We proceeded to plan an application process using this timeframe as a point of reference.</li> <li>We proposed a reimbursement model in which applicants would submit documentation from the State of Missouri</li> </ul>	<p><b>We learned that the City could not reasonably guarantee a timeframe for payments.</b></p> <ul style="list-style-type: none"> <li>While the CDA team offered to fast track their internal process, they acknowledged that they had no control over the timeline from the Comptroller's office and estimated that it could likely take an additional 4-8 weeks on top of the CDA's 2 – 4 weeks.</li> <li>CDA also explained that their internal review process is calibrated to a 20-day window and that if any steps are missed, an invoice is held until the next 20-day cycle.</li> <li>Although we asked throughout the contract negotiation process for more information about payment timelines, we did not get this</li> </ul>

<p>KinderConnect system <i>upfront</i> to substantiate their childcare expenses. This was intended to further streamline and shorten the review process to ensure grant payments could be made as quickly as possible.</p>	<p>critical information until after the contract was executed. Had we known that it would take up to three months for childcare providers to be paid, and that even that timeframe was an estimate, we would not have proceeded with entering into a contract.</p>
<p><b>We expected to be able to alleviate barriers to accessing funding.</b></p> <ul style="list-style-type: none"> <li>• We asked that CDA waive their requirement that applicants have a current City business license, since this is not a State requirement to operate a childcare. We were told that this requirement could not be waived.</li> <li>• We identified external resources to potentially help childcare providers secure a license to ensure equitable distribution of resources for small home-based providers who may not have a license.</li> </ul>	<p><b>We learned that CDA required a certificate that was only valid for 30 days to verify tax status.</b></p> <ul style="list-style-type: none"> <li>• Even if we were able to support childcare providers in securing a business license, the timing of submitting a current license that would remain valid in an application process that would take up to 3 months would be burdensome. Applicants would have to secure a new certificate every 30 days until their grant payment had been approved. This would create a significant hardship for small home-based providers.</li> </ul>
<p><b>We expected to be able to cover our administrative expenses using indirect costs.</b></p> <ul style="list-style-type: none"> <li>• We submitted a budget that included a 10% indirect cost rate of \$200,000.</li> <li>• We clearly communicated that we would use that funding to cover staff bonuses, accounting costs, legal fees, additional audit and accounting expenses, and federal grant compliance consulting and that we would apply any unallocated costs to cover additional contracts for childcare providers.</li> <li>• Our budget was reviewed and accepted as submitted.</li> <li>• Our plan to use a bonus pay model was approved by CDA.</li> </ul>	<p><b>We were directed to revise our budget to itemize all of our staff costs.</b></p> <ul style="list-style-type: none"> <li>• CDA stated that the amounts we would be paying out as contracts to childcare providers would not be treated as direct expenses, therefore could not be used to calculate our indirect cost rate.</li> <li>• We were instructed to itemize our salary and fringe costs. This would require us to try to reconstruct timesheets for all staff involved with the ARPA contract for the contract period beginning January 2022.</li> <li>• With the contract scheduled to end Dec. 31, there is insufficient time for a contract amendment related to the requested change to the approved budget in the fully executed contract.</li> </ul>

Although staff are recommending that MHB terminate the CDA contract, we are willing to provide CDA with all of the application materials that we have developed to use as they see fit. We have already provided CDA with a list of all of the childcare centers in the City of St. Louis grouped by Qualified Census Tract, as well as an outline of the application review process that we intended to use.

If the City were to determine that another department can serve as the administrative agent for Early Childhood ARPA dollars, staff recommend quickly negotiating to enter into a new contract that is not as restrictive as the CDA under the same conditions that we originally requested as enumerated; (1) Upfront payment of the entire \$2,000,000 grant, (2) Waiver of requirement that childcare providers have a current City business license, and (3) Waiver of requirement that childcare providers be current on City taxes.