

Page 1

- Call to Order            The summer board meeting was called to order by President Wade Enget.
- Roll Call                The following directors were either on the webinar or in person at the Fargo Marriott Hotel: Wade Enget, Laurel Forsberg, Lenora Kutz, Tracy Laaveg, Rob Manly, Gary Ramsey, Lisa Tomlinson, and Jim Wang.
- Absent board members were Mary Kae Kelsch, Paul Murphy and Bob Woods.
- In addition the following staff members were available: Rhonda Belgarde Baker, Kirsten Baker, Pam Bloomquist, Gale Coleman, Clarine DeGroot, Lacey Garrison, Mikayla Jablonski Jahner, Kim Kramer, Rich LeMay, Mandi Olson, Jamie Orstad, Adele Page, Ed Reinhardt, Dawn Schiele, Breezy Schmidt, Steve Simonson, Audrey Solheim, and Morgan Wentz
- Minutes                 A motion to approve the minutes of the March 26, 2019 LSND Board Meeting and the Audit and Finance Committee meeting of April 26, 2019 was made by Gary Ramsey, second to the motion by Laurie Forsberg, motion carried.
- Reg 1612 and 1620     There were no LNSD actions reported concerning Reg 1612 or Reg 1620.
- Fiscal Report           Kim presented the March 2019 Budget-to-Actual Report. There are a few line items that are over budget due to timing of the bills. Overall, LSND is within budget for the first quarter.
- Budget  
Amendment             Kim presented the 2019 Amended Budget for the board to review and discuss. Revenue amounts were adjusted to reflect any increases in revenue received, and also actual carryover amounts from 2018.
- Personnel Expenses have been adjusted to reflect the changes due to the Salary Plan Phase I increases that began April 1<sup>st</sup>, turnover of the MLP position, resignation of the person in the Human Trafficking position, new attorney increase and six month increases for new support staff.

The largest operational expense adjustment is for an updated telephone system, that estimate will be about \$50,000. Wade questioned Rich about the telephone system, and Rich explained that the vender that sold us the current phone system in 2005 has retired and sold the business. Toshiba went out of business and there are no parts available, and the support system is also gone. He said they are looking at a vender out of Fargo who sells a similar kind of system and have entered into the process of seeking bids. The system needs to be replaced.

Kim presented an update on the status of the different grants and contracts that LSND currently has, and those that we are currently applying for.

The NARF contract was of particular concern. Kim mentioned a plan back in March that was submitted to NARF which included New Town working on juvenile cases. Ed and Clairine met with Judge Seaworth on doing juvenile criminal cases to help spend out the grant, but Judge Seaworth had other issues and referred them to the juvenile department. Rich suggested doing additional community education and thanked Rhonda for her increased efforts in serving the Belcourt community. Kim stated that it is very likely that the program won't be able to spend out these funds by September 30, 2019 and recommended turning back some of this funding to NARF. Discussion took place and the decision was made to continue to try to spend as much of these funds as possible before the deadline.

Pending Grants: Adele applied for a two year Otto Bremer Foundation Grant. There was an onsite visit from the Foundation on May 22 from their regional manager. He spent a couple hours and provided some great expectations for the grant. He said that Bremer prefers to do one year grants and have the grantee apply for a new grant each year, so if LSND is awarded it would likely be for one year. The awards will announced by mid-August.

Rich discussed that the LSC Base and Native American grant renewals have been completed as well as a new competitive grant application for the Agricultural Workers (formerly known as the Migrant Grant).

In the past the Agricultural Workers grant funds for North Dakota have been received by SMRLS – Southern Minnesota Regional Legal Services, however, only 14 cases for North Dakota clients

were done in 2017 and 19 in 2018 by SMRLS. The grant is \$145,000 so it is a considerable amount of money and we were encouraged to apply for it again this year, though the application had been denied in 2016.

Rich discussed another matter regarding SMRLS, which they currently receive a portion of the OMB surcharge filing fee funding, as does Dakota Plains Legal Services. According to the regulations they should not be entitled to this money as it specifies it is for legal services grantees that do specific casework in North Dakota. Rich has requested a meeting with the Civil Legal Services Fund Committee to secure a new application.

VOCA - Mikayla just attended a seminar about grant writing concerning the next round of RFPs for VOCA. We have been encouraged to apply with a similar proposal as we used last time, only this time to limit the service area to the western part of the state as a pilot project. Once it is successful in one region of the state it can be expanded. The idea is to get the general VOCA funds to come our way and follow up in the future with other grants.

There is an additional pot of money in a grant entitled Special Projects/Technology. This comes from a separate allocation of money. Although it seems cumbersome to go through two grants, we will apply for both, and need to address items in the application regarding technology.

Juvenile Defense contract ends June 30 and we are considering applying for it again. The regular contract would be \$4,500 per month and we have been approached for a second contract paying \$2,100 a month. This would be for juvenile guardianship, termination of parental rights, and would only be for a 6 month trial. At the end of this contract we can make a decision as to whether to continue or not.

Steve from the Fargo Office raised a concern about how the juvenile court fits into our LSND priorities. In addition we are losing money on them and he suggested we say no to this contract. Mikayla agreed with Steve and stated that we can get out of the contract if needed and if other funding becomes available and is secured. Wade asked the staff to keep the board updated on this issue.

Page 4

Steve is applying for another Bankruptcy grant but is not optimistic about this one. Generally this grantor doesn't give a grant to the same agency two years in a row.

LSND is still deciding on whether to apply for another Human Trafficking grant.

Following the financial discussions, a motion to approve the amended budget was made by Laurel Forsberg, seconded by Rob Manly and voted on by roll call vote. The motion was approved unanimously.

Audit

In the absence of Audit and Finance Chair Mary Kae Kelsch, Kim gave the Audit Report. She referred the board to the committee minutes, which has the highlights the auditor made in meeting. Laurel, as member of the committee complimented Kim on the specifics outlined in the minutes.

Gary questioned how the two findings are being taken care of by LSND staff. The first finding was not spending out 12.5 percent of base funds on PAI. Rich explained that the money had been obligated, but it hadn't been spent out at the end of the year. He wrote a letter asking LSC to waive this requirement for the year 2018. So far there has not been a response to his request, but in the meantime these encumbered funds have been spent out. LSND is reviewing the circumstances that caused the PAI shortfall and is making changes to the PAI Plan's implementation to avoid a problem in 2019.

The second finding was regarding journal entries that the auditors needed to make that are normally completed before the financial statements are audited. Kim stated that she is taking steps to correct this in the future audits.

Tracy Laaveg moved to approve the 2018 Audit as prepared by Brady Martz Auditing Firm, second to the motion was made by Laurie Forsberg, motion to approve carried.

Executive Report

Wade reported that the House Bill #1516 passed providing additional funding through raising the cap on the surcharge funding. He sent thank you notes to those involved and particularly praised Senator Dwyer who is a new legislator who brought the bill to the floor of the Senate. This was a good learning experience and he feels the

Page 5

legislators are now more familiar and sympathetic to legal services than they were prior to this process. He especially thanked Rich and Kim for their help.

Bylaws

There have been no inquiries to change, substitute or amend the bylaws, therefore all stands as current, reported chair of the committee Gary Ramsey.

Deputy Director  
Report

Adele stated that she was participating in this meeting as she was driving back from the Rural and Legal Health Conference in Minot. She had a good response to her presentation on the Medical Legal Partnership project at this conference.

She reported two resignations in the program – Shanda, as MLP Attorney resigned as did Jane Sportiello, who was staff attorney of the Human Trafficking/Immigration projects. We are at a big loss with the MLP projects, but she has an offer out to a new graduate for the MLP attorney and in the meantime the Fargo office staff has been covering the workload. They also have a law student helping this summer with the MLP clinics.

Deputy  
Director  
Report

Ed reported his focus is to try spend to spend the NARF money. He also reported the successes of the VITA program with \$1.1 million in tax refunds; when people are entitled to a tax refund we help them to get it and this is a positive for the program.

Executive  
Director's  
Report

Rich started off with thanking Rhonda for her hard work with VITA.

He then went on to explain his views on the financial situation. He would like us to establish core staffing and core funding. A program can't operate on grants alone. LSND invests a lot of resources in staff and we need to work hard to retain our investment.

In way of an example, he identified LSC as core funding. It is also not likely we will lose Aging Service funding so that would also be core funding. Core funding has to meet our core staff; if it doesn't meet those expectations, the only way we can make that up is by writing grants.

Page 6

We educated a lot of legislators this year – if we could double our surcharge amount for example, it would help secure our core funding.

Ideally, grants address a specific problem and should not be relied upon to support core funding.

Rich pointed out the date Aug 2021, which is the month he will be of retirement age. LSND needs to look toward the future.

He still thinks LSND should be able to get a donation of \$100 per attorney but needs somebody to spearhead this process. The SBAND Board of Governor's weren't opposed to the idea, but were concerned regarding the current lawsuit.

Also, the board needs to do an executive director evaluation. It is an LSC requirement that this be done every year, so whatever form the board wants to use is fine with him.

Kim mentioned that next May we will be doing a competitive bid for LSC Base and Native American funding. They require certain items in our manuals and therefore the administrative staff will be working on updating the manuals this summer. One thing LSC also requires is a full board and we are short a Native American client member.

Question

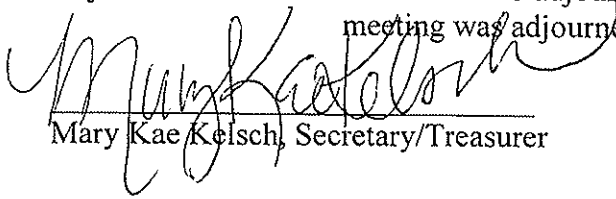
Rob mentioned that he learned at the last board training, that there is a policy of attendance, and he was wondering if this was being followed. These records are being kept and currently are up to date.

Wade will work with rest of Executive Committee to identify suggestions for a new member on the board. We also need to do board training. It was suggested that it could be done in December in connection with our board meeting in Bismarck. The board was hopeful to receive CLE ethics credit for this training.

Rich reported on the successful CLE training this week. There were approximately 100 people at the session and there were excellent presentations.

Adjourn

Lisa moved to adjourn the meeting, second by Tracy, motion. The meeting was adjourned.

  
Mary Kae Kelsch, Secretary/Treasurer