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MINUTES OF THE BOARD OF DIRECTORS' MEETING

May 28, 2026, 5:15pm

In attendance:

Members of the Board:

Public Sector:

Melissa Beaton – present

Ron Wesen – present

Danny Hagen – present

Ash Gregorius – not present

Ellie Haddick – not present

Private Sector:

Kate Bennett – not present

Silvia Reed – present

Gregg Davidson – present

Morgan Curry – present

Carl Young – present

Client Sector:

Kati Ortiz – present

Heather Wallace – not present

Loly Gomez – not present

Tina Tate – present

Katya Matsko – seated at meeting, will begin in June

Staff: Bill Henkel, Sandi Phinney, Ayumi Orthmeyer, Michele Metcalf, Trisha Hochreiter

I. CALL TO ORDER

President Danny Hagen called the meeting to order at 5:18 pm.

QUORUM PRESENT

II. CONSENT AGENDA

Minutes from the April 23, 2026 Board of Directors Meetings

Correspondence: Cascadia Daily: New Sedro-Woolley Mayor Appointed Email: Senior Center Town Hall Reflections from Rob Email from Peggy Raterman regarding her recent donation

Division Reports: Melissa Self, Jazmin Flores and Sandi Phinney, Elizabeth Jennings, Taylor Babcock, and Michele Metcalf

Motion to approve the consent agenda (April Board minutes and seating Katya Matsko as Board member) made by Melissa, seconded by Ron. Passed unanimously.

III. DISCUSSION AGENDA

6. Finance; Hagen

Ayumi reviewed the May Finance report (thru March). We have an unusually high positive YTD net of \$1,202,188 (after depreciation and unrealized gains/losses), including a net positive \$485,743 for March. However, a substantial portion of the positive number are direct service payments we've received up front, such as for our flood recovery work (including \$550k from Skagit Community Foundation in March), and the \$100k Farm to Food Bank. These will be spent down in the coming months, and we anticipate seeing that positive YTD come down quite a bit, even if we still in good financial shape. The \$550,000 for flood will need to be spent out by August, for example. We need to include in the Finance Report in coming months how much is being spent each month in these larger up front payments for direct services so the Board and management can see and track the spend out and anticipate any impacts on cash flow, etc. All in all, though, a solid Finance report.

Motion to approve the May Finance Report (thru March) made by Carl, seconded by Morgan. Passed unanimously.

7. State of the Agency; Henkel

Bill began by thanking the Board for coming to the groundbreaking, and congratulating Michele and all for this wonderful accomplishment. We were grateful for the amazing turnout, fine weather, the speakers, and the many people and partners who helped make this a reality.

Under new enterprises and revenue, Bill highlighted the \$224k "surprise" check delivered by WA State Secretary of State Steve Hobbs, which was meant to honor our role in supporting flood victims and help us build capacity to respond to the next disaster. Our media presence and our position as a trusted partner locally is likely how people became aware of us. We are now beginning to strategize how to invest that well.

Bill also reviewed the recent County homeless funding, where our shelter and homeless services fared fairly well. Rental support was not in that award, though will be awarded thru a separate RFP, and we currently understand that the amount will hold fairly steady, with some relatively minor exceptions, such as a small amount of homeless "diversion" funds. Anacortes Family Center, however, saw a substantial reduction in their shelter funding, which is likely a cause of concern for them, as some of the funding sources required a "low barrier" approach. That said, we understand that the City is working with the County to help identify other potential sources of support for AFC (from sources that don't require a low barrier approach).

Under trends and needs and services, Bill went over some recent experiences with Anacortes and Hamilton. In Anacortes, we received \$16k in the City's CDBG funding that can support operations work, and we plan to invest it in expanding employment services for Anacortes residents. We understand this caused concerns for our partner, AFC, who had previously received this funding, and they and their board brought their concerns to the council. We are thus spending time to reach out to individual council members, the mayor, as well as AFC itself, to try to make sure relationships are as solid as possible now and going forward.

Hamilton has been a challenging process to support Home Trust of Skagit in buying the property. Hamilton Council expressed they did not want rental homes on the property or houses that wouldn't include property ownership. Some council members indicated they did not support "low income housing" for their town, even though their demographics skew to lower incomes. Discussion of that situation ensued. For now, we are pausing on this potential project, to see if there will be any shift in the town's position in the future, and if there will be an opportunity for a true conversation.

We're grateful for a large amount of media coverage recently (about 10 news stories mentioned us in the last month). Bill thanked Trish for her great presentation on the Farm to Food Bank project to the Co-op's Annual Meeting, and thanked Silvia again for the Making a Difference Award. We also "won" the category of "most people on stage to accept an award"! CREAT had a positive meeting with new Commissioner Joe Burns. Bill also reminded the Board about the Board retreat on October 22.

Housing Development – Potential Purchase of Cascade Place

Michele reviewed the highlights of the Board Work Session on the potential purchase of Cascade Place (including Cascade Landing), where the group reviewed a few scenarios of how we'd use the space if we purchased the entire facility, and capital stack paths. We already have an application with Commerce for about \$80k in pre-development funds, though we may already have missed timing on some upcoming potential funding sources, such as Burlington 1590. To be competitive for state Building Communities Fund support (due in July), we'd need site control, so we will likely not be ready for that either. A concern expressed at the Work Session was that the project would only, in reality, add about 4 units of housing – even if state/federal funders would likely see the 34 existing units as "new," if they were locked into affordability for 40+ years. Our interest of course is reducing the substantial monthly lease fees, but we'd need a compelling story to attract the funding necessary for success. We are considering doing an appraisal, which we'd need for certain funding sources (such as Housing Trust Fund), though the owner has indicated a firm selling price, no matter what the outcome of an appraisal. We cannot as a nonprofit even consider purchasing a building at higher than the appraised value, so it would be useful information to have. Discussion of pros and cons of doing the appraisal, and the group decided that we should pause for now on the project, and forgo an appraisal until the time if and when we are ready to proceed again. Danny and Bill will work together to get communication to the owner.

Regarding Kulshan Vista phase 2, our consultant Philippa felt that we would likely not be competitive for further capital funding until tenants in Phase 1 begin moving in. In the interim, we need to work on a clear vision with the college, if they are interested in a partnership for low income student teachers, as well as work on our pipeline of projects so we can keep the momentum going.

8. Board Exec and Board Planning and Engagement; Hagen, Young, Henkel

Carl reviewed the Board recruitment matrix in the board packet. The underlying goal is to strengthen the policy guidance of the Board so that we're being as helpful, engaged and informed as we can be. The highlighted parts of the document show where we identified priority needs by committee, and there is also a helpful overview of the skills and experiences we are seeking to engage. Recommendations for potential new committee members should be sent to Carl and Sandi, who will then determine who they can meet with to discuss committee membership. Then we would send them an application and volunteer forms. This is a great opportunity to get more people engaged for potential future Board membership.

Because of staff transitions in community engagement, we will be doing fewer summer events this year, and will want to focus on a few priorities, such as continued outreach in Anacortes. It's a real benefit to having increased community presence, but we also can't burn out the team.

Gregg said that we can be very proud of this groundbreaking event today. Thanks everyone!

Reminder: June 11 is staff recognition, next Board meeting is June 18.

IV. ADJOURN: Meeting adjourned at 6:24pm

BOARD REVIEW & APPROVAL:

Approved as submitted

Approved with changes noted below

x _____

Board Secretary

Acting Board Secretary

_____ Date Signed