

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Civil Other

Court File No. \_\_\_\_\_

In re the Matter of Community Action of  
Minneapolis, Inc.

**AFFIDAVIT OF JOHN M. HARVANKO  
IN SUPPORT OF THE PETITION TO  
APPOINT RECEIVER BY THE  
MINNESOTA DEPARTMENT OF  
HUMAN SERVICES**

STATE OF MINNESOTA    )  
                                  ) ss  
COUNTY OF RAMSEY    )

I, John M. Harvanko, being first duly sworn, depose and say as follows:

1. I submit this affidavit in support of the Petition to Appoint Receiver by the Minnesota Department of Human Services and the Minnesota Department of Commerce.
2. My job title is State Director, Office of Energy Assistance Programs, with the Division of Energy Resources at the Minnesota Department of Commerce ("Department"). The Department administers funds appropriated to the Low-Income Home Energy Assistance Program (LIHEAP) through the U.S. Department of Health and Human Services. The block grant legislation (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended) gives States broad latitude to develop programs to assist low income households meet their immediate home energy needs. The Department, through the Division of Energy Resources, is responsible for administering and monitoring these state and federal LIHEAP funds aimed at providing energy assistance program services to low-income households in Minnesota.
3. In the course of my work, I became aware of the various local service providers in Minnesota that serve low-income people through a variety of programs funded by money received under grant contracts with the Department.
4. One of these local service providers, Community Action of Minneapolis, is a non-profit corporation that had a long-standing relationship with the Department because it received grant funding for many years to deliver energy assistance services to income eligible low-income people who reside in the City of Minneapolis.

5. To receive grant funding, Community Action of Minneapolis submits an Energy Assistance Program Local Plan to the Department that is incorporated into a state grant contract with the Department.
6. Community Action of Minneapolis recently had two grant contracts with the Department: (1) Low Income Home Energy Assistance Program Grant Contract ("LIHEAP Contract"); and (2) Weatherization Assistance Program Grant Contract ("WAP Contract"). Attached as Exhibit A is a copy of the LIHEAP Contract; Attached as Exhibit B is a copy of the WAP Contract. Based on numbers from Community Action of Minneapolis' audit report ending June 30, 2013 (state fiscal year 2013) and based on Financial Status Reports that were submitted in e-Heat during that time period, WAP and EAP programs provided about 70% of Community Action of Minneapolis' overall revenue. (Exhibit B to Janet Streff Affidavit.)
7. The Federal Fiscal Year (FFY) 2014 LIHEAP contract gave Community Action of Minneapolis \$1,852,083 to "perform duties and expend funds in accordance with the terms and conditions set forth in the Minnesota Energy Assistance Program (EAP) State Plan for FFY 2014, the *FFY 2014 Energy Assistance Program Policy Manual* and the Service Provider's *EAP Local Plan*, which are incorporated into this contract." The LIHEAP Contract started on October 1, 2014 and ended on September 26, 2014. (See Exhibit A to John Harvanko Affidavit). Attached as Exhibit C is a copy of a letter dated September 26, 2014 terminating the LIHEAP Contract.
8. The LIHEAP contract allocated Community Action of Minneapolis a total of up to \$1,852,083. CAM's reported expenditures for fiscal year 2014 were \$1,607,942.
9. The Department distributed funds to Community Action of Minneapolis on a reimbursement basis. This means that the Department provided funds to Community Action of Minneapolis as the entity incurred costs and sought reimbursement for those costs from the Department.
10. The Department had fiscal and programmatic oversight over the grant funding that Community Action of Minneapolis received under contract. The entity provided information to the Department on a variety of schedules and activities. Commerce conducts oversight to identify, assess, and reduce risks to households and program. The results of the program audits are to issue program findings and recommendations. These may result in corrective actions, penalties and/or offering training & technical assistance.
11. The following is a summary of the funds allocated for fiscal year 2014 to CAM and the reported expenditures by CAM for fiscal year 2014.

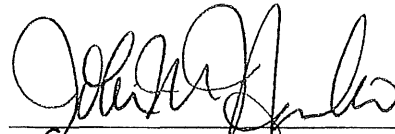
FFY14 Funds allocation

<b>Category</b>	<b>Total Allocation</b>	<b>FSR Reported expenditures Thru Aug</b>
ERR	402,100	\$ 365,523
Admin	786,994	\$786,994
Assurance 16	518,209	\$310,645
Suppl. Admin	<u>144,780</u>	<u>\$144,780</u>
<b>Total</b>	<b>\$1,852,083</b>	<b>\$1,607,942</b>

12. As noted above, the Department distributed funds to CAM on a reimbursement basis. For fiscal year 14,  
Cash requests fulfilled  
\$ 1,589,000.00  
Difference between Reported Expenditures and Cash received  
-\$18,942  
Last Cash Request fulfilled  
9/22/2014 \$ 30,000.00
13. I am aware of the audit report issued by the Department of Human Services' internal audits office on August 12, 2014, which analyzed Community Action of Minneapolis' activities and expenditures and found numerous deficiencies and problems. (Exhibit A of Gary L. Johnson Affidavit).
14. I am also familiar with the Department's formal written notice of termination, dated September 26, 2014. (Exhibit C of John M. Harvanko Affidavit).
15. The Department notified CAM of its intent to perform an audit of CAM's use of funds in the notice of termination dated September 26, 2014. (Exhibit C of John M. Harvanko Affidavit)
16. On September 26, 2014, the Department collected documents and client files to assist in client transition to new service providers and to assist in the forthcoming audit.
17. Since the Department serviced the termination notice to Community of Action of Minneapolis, the Department sent notices to people who received services from Community Action of Minneapolis that were funded with the Department's funds. The Department referred those clients to other another local service provider to seek services. The Department contracted with Community Action Partnership of Suburban Hennepin (CAPSH) to serve residents of the City of Minneapolis low income households starting October 1, 2014. Upon contracting with CAPSH, the Department transferred approximately 3,000 applications that were seized from Community Action of Minneapolis on September 26, 2014 to CAPSH. On October 3, 2014 the Department mailed letters to 12,699 Minneapolis EAP households to notify these households of the

change in their local service provider. The letter included contact information for CAPSH. CAPSH has begun to establish communication, procedures and infrastructure to serve Minneapolis households. This includes 3-4 sites in Minneapolis to receive applications and address households in crisis. The process of directing Minneapolis households to CAPSH will be ongoing throughout the federal fiscal program year.

Further your affiant sayeth not.

  
\_\_\_\_\_  
JOHN M. HARVANKO

Subscribed and sworn to before me this  
13th day of October, 2014

  
\_\_\_\_\_  
NOTARY PUBLIC



EXHIBIT A TO  
AFFIDAVIT OF JOHN HARVANKO

**STATE OF MINNESOTA  
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM  
Federal Fiscal Year (FFY) 2014 GRANT CONTRACT**

This grant contract is between the State of Minnesota, acting through its **Department of Commerce** ("State") and **Community Action of Minneapolis, Inc.** ("Grantee") 505 East Grant Street, Suite 100 Minneapolis MN 55404.

**Recitals**

1. The State has been granted funds by the United States Department of Health and Human Services (USDHHS) Administration for Children and Families, CFDA #93.568. Funds must be expended in accordance with the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended), the *Energy Assistance Program (EAP) State Plan, FFY2014 EAP Policy Manual* and the *EAP Local Plan*.
2. Under Minnesota Statutes section 216C.02, the State is empowered to enter into this grant contract.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract to the satisfaction of the State. Pursuant to Minnesota Statutes §16B.98 Subdivision 1, the Grantee agrees to minimize administrative costs as a condition of this grant.

**Grant Contract**

**1. Term of Grant Contract**

- 1.1 *Effective date:* 10/01/2013, or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.

The Grantee must not begin work under this grant contract until this contract is fully executed and the State has issued and the Grantee has received a Notice of Funds Available (NFA) to the Grantee. Each NFA issued by the State will specify the time period during which the Grantee may perform work and incur eligible costs under this contract. Such time period specified in an NFA may begin on or after the effective date of this contract and may end on or before the expiration date of this contract.

- 1.2 *Expiration date:* 09/30/2014, or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Grantee must complete all program and fiscal activity for this federal fiscal year no later than December 15, 2014. After December 15, 2014, fiscal activity for this Grant Contract is stopped.

- 1.3 *Survival of Terms.* The following clauses survive the expiration or cancellation of this grant contract: 4.3 Repayment; 8. Liability; 9. Reporting; 12. Audits; 13. Government Data Practices and Intellectual Property; 14.2 State Property; 17. Publicity and Endorsement; 19. Governing Law, Jurisdiction, and Venue; 20. Termination, Repayment and Cooperation; and 21. Disclosure of Grantee Tax identification Numbers.

**2. Grantee's Duties**

The Grantee will perform duties and expend funds in accordance with the terms and conditions set forth in the Minnesota Energy Assistance Program (EAP) State Plan for Federal Fiscal Year (FFY) 2014, the *FFY2014 Energy Assistance Program Policy Manual* and the Service Provider's *EAP Local Plan*, which are incorporated into this grant contract.

The Grantee will maintain access to and utilize the State's Electronic Household Energy Automated Technology™ (eHEAT) system through the Grantee's connection(s) to the Internet.

**3. Time**

The Grantee must comply with all the time requirements described in this grant contract. In the performance of this grant contract, time is of the essence.

**4. Consideration, Payment, Federal Funds, Repayment and Program Income**

- 4.1 *Consideration.* The State will pay for all services performed by the Grantee under this grant contract as follows: The Grantee will be paid for eligible costs actually and necessarily incurred in the performance of its duties. As funds become available to the State for the purposes of this grant contract, the State will issue to the Grantee NFAs specifying the amount of funding available to the Grantee under this contract. The NFA is incorporated

into this contract. The Grantee will expend funds only within the cost categories and amounts specified in NFA(s) and in eHEAT.

#### 4.2. *Payment*

4.2.1 *Invoices.* The State will promptly pay the Grantee after the Grantee presents an itemized cash request (invoice) in a form prescribed by the State and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted as frequently as necessary to effectively manage cash to ensure that the timing and amount of cash received is as close as is administratively feasible to the actual disbursement of program costs. The amount of money on hand must not exceed the amount needed for 3 days' business activity, which complies with Section 5 of the Cash Management Improvement Act of 1990 and OMB Common Rule A122 Payment (b) Basic Standard.

4.2.2 *Federal funds.* Payments under this grant contract will be made, in whole or in part, from federal funds obtained by the State through the USDHHS under the Low-Income Home Energy Assistance Act of 1981, as amended, 42 USC 8621 to 8629, CEFA Number 93.568 (Acts). The Grantee is responsible for compliance with all federal laws, rules and requirements imposed on these funds and accept full financial responsibility for any requirements imposed by the Grantee's failure to comply with federal laws, rules or requirements. In addition to the Acts, applicable federal laws, rules, and requirements may include, but are not limited to:

4.2.2.1 OMB Circulars Numbers A-21 (2 CFR 220), A-87 (2 CFR 225), A-110 (2 CFR 215), A-122 (2 CFR 230) and A-133;

4.2.2.2 OMB Common Rule as codified at 29 CFR 97;

4.2.2.3 ASMB C-10 (Implementation Guide for OMB Circular A-87);

4.2.2.4 Non-discrimination requirements under the Civil Rights Act of 1964 (42 USC 2000d) as amended by the Equal Employment Opportunity Act of 1972, the Rehabilitation Act of 1973 (29 USC 794), the Age Discrimination Act of 1975 (42 USC 794), and the Americans with Disabilities Act of 1990 (42 USC 12101);

4.2.2.5 President's Executive Order 12549 and the implementation regulation Non-procurement, Debarment and Suspension, Notice and Final Rule and Interim Final Rule found at 53 FR 19189, May 26, 1988, as amended at 60 FR 33041, June 26, 1995, including Appendix B, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions";

4.2.2.6 New Restrictions on Lobbying, 45 FR 93, Subpart A, Revised 10/1/1999;

4.2.2.7 Political Activity provisions of Title 5 of the United States Code;

4.2.2.8 Drug-Free Workplace Act of 1988; and

4.2.2.9 Fair Labor Standards Act.

4.3 *Repayment.* The Grantee will repay the State any funds paid to the Grantee by the State for costs which:

4.3.1 The State determines are not eligible under this contract;

4.3.2 The Grantee has been or will be compensated by another entity;

4.3.3 The Grantee's records do not clearly substantiate as eligible under this contract; or

4.3.4 Are identified as a financial audit exception;

4.3.5 The State assesses administrative fines for late reports as specified in the *FFY2014 Energy Assistance Program Policy Manual*,

4.4 *Program Income.* All interest or other income earned by the Grantee on funds advanced to the Grantee by the State will be considered program income and must be reported to the State. Program income may only be expended for activities and costs that are eligible under this grant contract.

#### 5. *Conditions of Payment*

All services provided by the Grantee under this grant contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

#### 6. *Authorized Representative*

The State's Authorized Representative is **John M. Harvanko**, Director, Office of Energy Assistance Programs, 651-539-1805, [john.harvanko@state.mn.us](mailto:john.harvanko@state.mn.us), or his successor, and has the responsibility to monitor the Grantee's

performance and the authority to accept the services provided under this grant contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment. The Grantee's Authorized Representative is William Davis, President and CEO, 505 East Grant Street, Suite 100, Minneapolis, MN 55404 612-348-8858 Ext 302, wdavis@campls.org or their successor. If the Grantee's Authorized Representative changes at any time during this grant contract, the Grantee must immediately notify the State.

#### 7. Assignment, Amendments, Waiver, and Grant Contract Complete

- 7.1 *Assignment.* The Grantee may neither assign nor transfer any rights or obligations under this grant contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this grant contract, or their successors in office.
- 7.2 *Amendments.* Any amendment to this grant contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.
- 7.3 *Waiver.* If the State fails to enforce any provision of this grant contract, that failure does not waive the provision or its right to enforce it.
- 7.4 *Grant Contract Complete.* This grant contract contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract, whether written or oral, may be used to bind either party.

#### 8. Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract.

#### 9. Reporting

The Grantee will provide all reports as may be required by the State from time to time, including but not limited to:

- 9.1 A detailed Local Plan
- 9.2 Monthly Financial Status Report (FSR), in a form prescribed by the State, as prescribed in the *FFY2014 Energy Assistance Program Policy Manual*,
- 9.3 Final Financial Status Report and other closeout documents, in a form prescribed by the State, no later than 30 days following the expiration of this grant contract, including a listing of un-liquidated obligations of grant funds, if any.
- 9.4 Leveraging Report specified in the *FFY2014 Energy Assistance Program Policy Manual*,
- 9.5 A copy of the Service Provider's fiscal audit.
- 9.6 Incident reports specified in the *FFY2014 Energy Assistance Program Policy Manual*,
- 9.7 Program audit disclosure letter specified in the *FFY 2014 Energy Assistance Policy Manual*
- 9.8 Requested responses to monitoring findings.

#### 10. Monitoring and Corrective Action

- 10.1 *Monitoring.* The Grantee will allow the State access to its business site(s) and will secure written permission from its sub-grantees to allow the State access to sub-grantees' sites and records for the purpose of monitoring Grantee performance, compliance with contract requirements. The Grantee will cooperate with the State in the performance of such monitoring activities.
- 10.2 *Corrective Action.* If the State finds that the Grantee's performance is deficient or has not complied with contract requirements, the Grantee will implement any corrective action determined by the State. Failure to implement corrective action may void this contract.

#### 11. Financial Records

The Grantee will use such fiscal, audit and accounting procedures as may be necessary to assure and promote sound financial management, including effective internal controls, and will maintain business records in conformance with generally accepted accounting and auditing principles, to fully evidence its costs and expenses.

#### 12. Audits



- 12.1 *State Audits.* Under Minn. Stat. § 16C.05, Subd.5, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.
- 12.2 *Federal Audits.* The Grantee's books, financial records, programmatic records, documents, and accounting procedures and practices relevant to this grant contract are subject to examination by the USDHHS and the Comptroller General of the United States, or their designated representatives, for the greater of a period three years after the expiration date of this contract or on completion of a federal audit if one is commenced within three years after the expiration date.
- 12.3 *Single Audit.* The Grantee must comply with the financial and compliance audits requirements of the Single Audit Act Amendments of 1996 and OMB circular No. A-133, "Audit of States, Local Governments and Non-Profit Organizations."
- 12.4 *Program Specific Audit.* In addition to Clause 12.3, the Grantee must, upon request from the State, conduct a program specific audit of the Grantee's Low-Income Home Energy Assistance Program using the guidelines set forth in CFDA 93.568 and OMB Circular A-133 Compliance Supplement, "Audit of States, Local Governments and Non-Profit Organizations."

### 13. Government Data Practices and Intellectual Property

- 13.1.1. *Minnesota Government Data Practices Act.* The Grantee and State must comply with the Minnesota Government Data Practices Act ("MGDPA"), Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract. The civil remedies of Minn. Stat. §13.08 apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law. The Grantee shall notify its program applicants and sub-grantees that it will provide applicant and sub-grantee data to the State, and that the State may share applicant and sub-grantee data with other agencies for the purpose of eligibility and program evaluation.

- 13.1.2. *Private Data on Individuals.* Under Minn. Stat. §216C.266, data on individuals collected, maintained or created because the individual applies for benefits or services provided by the energy assistance or weatherization programs is private data on individuals. In accordance with the MGDPA, the Grantee must not disseminate or use private data on individuals for purposes other than those stated to the individual at the time of collection unless the individual subject or subjects of the data have given their informed consent. This prohibition of dissemination of private data includes but is not limited to the disclosure or use of information regarding an applicant's eligibility for benefits under the energy assistance or weatherization programs to identify individuals who may be eligible for other benefits or programs unless the individuals are informed of that use at the time the information is collected or unless they subsequently give their informed consent.

### 13.2. Intellectual Property Rights

- 13.2.1. *Intellectual Property Rights.* The State owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this contract. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and sub-grantees, either individually or jointly with others in the performance of this contract. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or sub-grantees, in the performance of this contract. The Documents will be the exclusive property of the State and all such Documents must be immediately returned to the

State by the Grantee upon completion or cancellation of this contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the Works and the Documents to the State. The Grantee must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

**13.2.2. Obligations**

**13.2.2.1. Notification.** Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its employees and sub-grantees, in the performance of this contract, the Grantee will immediately give the State's Authorized Representative written notice thereof and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon.

**13.2.2.2. Representation.** The Grantee must perform all acts and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State and that neither Grantee nor its employees' agents, or sub-grantees retain any interest in and to the Works and Documents. The Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, the Grantee will indemnify, defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

**14. Personal Property, State Property and Exception**

**14.1 Personal Property.** Any purchase of non-expendable personal property that has a useful life greater than one year and a per unit cost of Five Thousand dollars (\$5,000.00) or greater must have prior written approval of the State.

**14.2 State Property.** Non-expendable personal property that has a useful life greater than one year that is purchased with funds provided under this grant contract shall be the property of the State. Such property in the possession of the Grantee may be subject to an annual inventory audit. The Grantee will deliver such property to the State within thirty days after the expiration or termination of this contract, if requested in writing by the State.

**15. Workers' Compensation**

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

**16. Affirmative Action**

If applicable, the Grantee certifies that it has received a Certificate of Compliance from the Commissioner of Human Rights pursuant to Minn. Stat. §363A.36.

**17. Publicity and Endorsement**

**17.1 Publicity.** Any publicity regarding the subject matter of this grant contract must identify the State and USDHHS as the sponsoring agencies and must not be released without prior written approval from the State's Authorized

Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract.

17.2 **Endorsement.** The Grantee must not claim that the State or USDHHS endorses its products or services.

#### 18. Plain Language

All written materials developed or used by the Grantee to communicate with sub-grantees or sub-grant applicants must be understandable to a person of average intelligence and education.

#### 19. Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract. Venue for all legal proceedings out of this grant contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

#### 20. Termination, Repayment, and Cooperation

20.1 **Termination by the State.** The State may terminate this grant contract at any time, with or without cause, upon written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed, except as limited by this clause.

20.2 **Termination for Insufficient Funding.** The State may immediately terminate this contract if funding is withdrawn by the USDHHS, the Minnesota Legislature, or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

20.3 **Termination by the Grantee.** The Grantee may terminate this grant contract at any time, with or without cause, upon sixty days written notice to the State. Such written notice must include proposed terms for the discontinuation of the Grantee's services and an estimated final invoice for the Grantee's services performed. No later than sixty days after termination, the Grantee must submit a final invoice to the State. The State may accept or reject in whole or in part the Grantee's proposed terms, estimated final invoice or final invoice, and shall notify the Grantee of its decision within five business days of its receipt of the Grantee's termination notice, and within fifteen business days of its receipt of the Grantee's final invoice. Upon termination and submission of a final invoice, and upon acceptance of the final invoice by the State, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

20.4 **Repayment for Ineligible costs.** If the State or the Grantee terminates this contract, the State may withhold payment for outstanding invoiced costs pending its determination of the eligibility of all costs for which the Grantee has been paid by the State. If the State determines that total payments to the Grantee under this contract exceed eligible costs actually incurred by the Grantee, the Grantee will repay to the State all funds received in excess of eligible costs. This clause shall not be construed to bar any other legal remedies the State may have to recover funds expended by the Grantee for ineligible costs.

20.5 **Cooperation.** In the event of termination under this clause, the Grantee will fully cooperate with the State in the transfer of program information, records and equipment to the State and/or any other entity designated in writing by the State to receive such information, records and equipment.

#### 21. Disclosure of Grantee Tax Identification Numbers

Under Minn. Stat. § 270C.65, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

22. Minn. Stat. §181.59

The vendor will comply with the provisions of Minn. Stat. §181.59 which require:

Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees: (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

23. Equal Treatment for Faith-Based Organizations

All agencies must comply with the USDEHHS rules regarding nondiscrimination of faith-based organizations as found within 45 CFR Parts 74, 87, 92, and 96.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and 16C.03.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

CEMS Grant contract No. \_\_\_\_\_

3. MINNESOTA DEPT OF COMMERCE

By: \_\_\_\_\_

(with delegated authority)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

2. Community Action of Minneapolis, Inc.

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: \_\_\_\_\_

Title: \_\_\_\_\_

### *Accepting Business Courtesies*

Most business courtesies offered to us in the course of our employment are offered because of our positions at Community Action of Minneapolis. We should not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at Community Action of Minneapolis to obtain business courtesies, and we must never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and good will with the firms that Community Action of Minneapolis maintains or may establish a business relationship with.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when Community Action of Minneapolis is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Community Action of Minneapolis business.

### *Meals, Refreshments and Entertainment*

We may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

- They are not inappropriately lavish or excessive.
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

### *Gifts*

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

- Flowers, fruit baskets and other modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).

Generally, employees may not accept compensation, honoraria or money of any amount from entities with whom Community Action of Minneapolis does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) that have a market value greater than \$75 may not be accepted unless approval is obtained from management.

Employees with questions about accepting business courtesies should talk to their managers or the Human Resources.

## State Of Minnesota – Affirmative Action Certification

If your response to this solicitation is or could be in excess of \$100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date of the bid or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification. **BOX A** – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to **BOX B**.

Your response will be rejected unless your business:

- has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)
- or—
- has submitted an affirmative action plan to the MDHR, which the Department received prior to the date the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- ☒ We have a current Certificate of Compliance issued by the MDHR. Proceed to **BOX C**. Include a copy of your certificate with your response.
- ☐ We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on \_\_\_\_\_ (date). Proceed to **BOX C**.
- ☐ We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. We acknowledge that our response will be rejected. Proceed to **BOX C**. Contact the Minnesota Department of Human Rights for assistance. (See below for contact information.)

**Please note:** Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

### **BOX B** – For those companies not described in **BOX A**

Check below.

- ☐ We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. Proceed to **BOX C**.

### **BOX C** – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: Community Action of Minneapolis Date: 9-3-13  
Authorized Signature: [Signature] Telephone number: (612) 348-8853  
Printed Name: William J. Davis Title: President/CEO

**For assistance with this form, contact:** Minnesota Department of Human Rights, Compliance & Community Relations

Mail: The Freeman Building 625 Robert Street North, TC Metro: (651) 296-5663 Toll Free: 800-657-3704  
Saint Paul, MN 55155

Web: [www.humanrights.state.mn.us](http://www.humanrights.state.mn.us)

Fax: (651) 296-9042 TTY: (651) 296-1283

Email: [compliance.mdhr@state.mn.us](mailto:compliance.mdhr@state.mn.us)



Community Action  
of Minneapolis

## CONFLICTS OF INTEREST

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of Community Action of Minneapolis may conflict with our own personal or family interests because of the course of action that is best for us personally may not also be the best course of action for Community Action of Minneapolis. We owe a duty to Community Action of Minneapolis to advance its legitimate interests when the opportunity to do so arises. We must never use Community Action of Minneapolis property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with Community Action of Minneapolis.

### **Here are some other ways in which conflicts of interest could arise:**

1. Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with Community Action of Minneapolis.
2. Hiring or supervising family members or closely related persons.
3. Serving as a board member for an outside commercial company or organization.
4. Owning or having a substantial interest in a competitor, supplier or contractor.
5. Having a personal interest, financial interest or potential gain in any Community Action of Minneapolis transaction.
6. Placing company business with a firm owned or controlled by a Community Action of Minneapolis employee or his or her family.
7. Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all Community Action of Minneapolis employees.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their managers or Human Resources.

### **Gifts, Gratuities and Business Courtesies**

Community Action of Minneapolis is committed to competing solely on a merit of our services. We should avoid any actions that create a perception that favorable treatment of outside entities by Community Action of Minneapolis was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Community Action of Minneapolis does or may do business. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of Community Action of Minneapolis or customers, or would cause embarrassment or reflect negatively on Community Action of Minneapolis's reputation.

## CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying," and 34 CFR Part 85, "Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Health and Human Services determines to award the covered transaction, grant, or cooperative agreement.

### 1. LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### 2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (2) Notify the employer in writing of his or her conviction

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

### 3. DRUG-FREE WORKPLACE

This certification is required by the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D) and is implemented through additions to the Debarment and Suspension regulations, published in the Federal Register on January 31, 1989, and May 23, 1990.

#### ALTERNATE I

#### (GRANTEES OTHER THAN INDIVIDUALS)

- (1) The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about:

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee, in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:

(1) Abide by the terms of the statement; and

for a violation of a criminal drug statute occurring in the work-place not later than five calendar days after



such conviction.

(e) Notifying the agency, in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to EAP grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

(2) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance:

(Street address, city, county, state, zip code)

505 East Grant St., Ste 100, Minneapolis, MN 55404

2104 Park Ave So., Minneapolis, Hennepin, MN 55404

Check if there are workplaces  
on file that are not identified here.

#### 4. Lobbying Disclosure Act of 1995, Simpson-Craig Amendment

Applicant organizations which are described in section 501(c)(4) of the Internal Revenue Code of 1986 and engage in lobbying activities after December 31, 1995, shall not be eligible for the receipt of Federal funds constituting an award, grant, or loan. Section 501(c)(4) of the Internal Revenue Code of 1986 covers:

*Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.*

As set forth in the Lobbying Disclosure Act of 1995 (Public Law 104-65, December 19, 1995), as amended ("Simpson-Craig Amendment," see Section 129 of "The Balanced Budget Down payment Act, I" (Public Law 104-99, January 26, 1996)), lobbying activities is defined broadly. (See section 3 of the Act.)

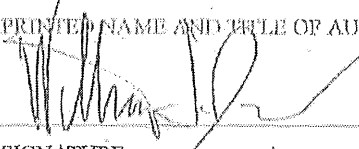
The undersigned certifies, to the best of his or her knowledge and belief, that: it IS NOT an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; OR that it IS an organization described in section 501(c)(4) of the Internal Revenue Code of 1986, which, after December 31, 1995, HAS NOT engaged in any lobbying activities as defined in the Lobbying Disclosure Act of 1995, as amended.

#### ALTERNATE II (GRANTEES WHO ARE INDIVIDUALS)

(1) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant.

(2) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

NAME OF APPLICANT	PROJECT AWARD NUMBER AND/OR PROJECT NAME
Community Action of Minneapolis, Inc.	FFY2014 Low Income Home Energy Assistance Program
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	
	
SIGNATURE	DATE
	Aug. 22, 2013

MINNEAPOLIS COMMUNITY ACTION COUNCIL, INC  
(MCAC, Inc.)  
BOARD MEETING

December 14, 1992

MINUTES

Present: Len Biernat, Robin Brookes, Noelle Follen,  
Patricia Lanapkin, Pat Miller, Ron Otterson,  
Karen Meyer, Chair

Staff Present: Darlynn Benjamin, Ellen Dosdall, Linda  
McFarland Barb Myers, William J. Davis

Guest Present: Ellen McVeigh

Karen Meyer, acting Chair, called the meeting to order to convene the Minneapolis Community Action Council, Inc. (MCAC) Board at 6:00 p.m.

Ellen McVeigh, legal consultant during Margaret Shulman's absence, explained the current makeup of the MCAC Board. The Board is in place by virtue of the action of the incorporator, Karen L. Meyer. The Board now needs to determine the day to day management, i.e., interim executive director and/or officers. Bill asked whether temporary officers needed to be appointed at this first meeting of MCAC? Ellen McVeigh explained that it could be done, however, it was not essential.

MOTION by Len Biernat to accept resolutions two and three of the MCAC, Resolutions for Adoption at Organization Meetings. SECONDED by Ron Otterson. Carried.

MOTION made by Len Biernat that current officers of MCAA act as the initial executive Board for MCAC. SECONDED by Patty Lanapkin.

Discussion for possible adoption of MCAC's bylaws was on the table. Len Biernat moved that the bylaws be accepted with the exception of Article III section 2(c) and Article VIII section 4. Article III deals with public sector representation and Article VIII deals with conflict of interest.

Len Biernat's MOTION to approve the Bylaws was withdrawn.

Chair Meyer stated that the ad hoc committee would convene and revise the Bylaws and have something to present at the next Board meeting. Ellen McVeigh stated that when the resolution for Adoption was drafted the notion was that there would not be an election of officers, since temporary officers were elected. Resolution #2 should be amended to state:

William J. Davis be authorized to execute contracts and instruments in his capacity as executive director as directed by Board chair. Resolution #2 was further amended by deletion of the statement requiring an officer's signature.

Lengthy discussion followed on the guidelines that would allow or not allow MCAA to setup a financial accounts system. Karen Meyer said the question to be addressed is whether MCAC would be going ahead without council approval if the organization was to accept receipts? She stated that Ellen Dosdall should inform Bob Dwyer that MCAC is a shell organization. Len Biernat stated that Dwyer should be informed that the MCAC Board is not directed to put any funds into this organization but that it is being administratively established for City Council approval.

Chair Meyer asked if there were any other items for discussion?

#### OTHER BUSINESS

None.

Motion to adjourn by Ron Otterson. SECONDED by Patty Lanapkin.

MCAC meeting adjourned.

Meeting was reconvened as MCAA and MOTION made to adjourn. SECONDED.

Adjourned.

## COMMUNITY ACTION OF MINNEAPOLIS

### BOARD MEETING

January 9, 1995

5:00 P.M.

### M I N U T E S

Members Present: Pat Kelly, Chair; Robin Brookes, Patty Lanapkin, Brett McNeal, Bill Wells, Louis Moore, John Williams, Bob Brooks

Staff Present: William J. Davis, President/CEO, John McCauley, Libby Kurth, Bea McFadden

Members Absent: Len Biernat, Bill Harper, Verlina Rhodes

Guests Present: Sue Mart, Glenda Shaffer, Hattie Johnson

The meeting was called to order at 5:00 p.m. by Board Chair, Pat Kelly.

Regrets from Verlina Rhodes who is still recovering from surgery.

**MOTION** was made by Patty Lanapkin and **SECONDED** by Robin Brookes to approve the January agenda. **MOTION CARRIED.**

**MOTION** was made by Bill Wells and **SECONDED** by Patty Lanapkin to approve the December 12 board minutes. **MOTION CARRIED.**

Because there was no quorum at the December 12, 1994 meeting, the November 14, 1994 board minutes could not be approved.

**MOTION** was to approve the November 14, 1994 board minutes. **MOTION CARRIED.**

Due to lack of a quorum at the December 12 board meeting, the executive committee convened to authorize the allocation of \$28,000 to "Better My Skills Make Me Handy". The decision was based on the program committee's recommendation.

**MOTION** was made to approve the executive committee's action to allocate \$28,000 to "Better My Skills Make Me Handy". **MOTION CARRIED.**

Pat Kelly introduced Sue Mart, Glenda Shaffer and Hattie Johnson from the Empowerment Group who gave a presentation on welfare reform and the effects it would have on the poor. The group is sponsoring a welfare reform forum Saturday, January 14, 2:30 - 6:00 p.m. at Plymouth Congregational Church, 1900 Nicollet Avenue.

Bill Davis commented that the Empowerment Group is now reaching the Phillips neighborhood and the near North Side. Members from the Empowerment Group plan to attend the National People's Action Conference in Washington, which is geared toward activism among low-income people.

### **PRESIDENT'S REPORT**

Bill Davis submitted the 1994 year end report. According to Bill, 1994 was a very challenging and productive year transferring programs and operations from the city to a private non-profit. Progress has been made in the energy assistance program by changing the weatherization format which now provides pre and post audits. The agency continues to develop programs such as the Empowerment Group. The outreach capacity has expanded. The agency also provides brochures in Spanish, Hmong, Lao and Cambodian and a special brochure on energy assistance for senior citizens in Minneapolis.

Bill Davis talked about the Beacon and explained that the Beacon is basically provided as an internal form of communication, however, copies can be mailed to board members.

Bill Davis submitted 1993 annual reports. The 1994 annual report should be complete by the end of the first quarter or early part of the second quarter.

Sabathani Community Center is proposing to increase rent by 70% from \$1,057 per month to \$1750 per month.

Bill discussed the new Congress and its impact on community action agencies and specifically on Community Action of Mpls. There is concern regarding the balanced budget proposal. There is also concern about community action agency funds being merged into one large block grant (merging 20 programs into one block grant).

Bill Davis mentioned his recent appointment as President of the Minneapolis Branch NAACP (National Association for the Advancement of Colored People). The NAACP National Convention will be held in Minneapolis in July 1995. Bill assured the board that his first priority is to the agency.

### **CHAIR'S REPORT**

Pat Kelly requested from board members the form indicating their interest in serving as officers and on various committees.

Pat Kelly reminded the board of the orientation on Saturday, January 14 at the Minneapolis Hilton, from 8:30 a.m. to 1:30 p.m. A continental breakfast and lunch will be provided. Louis Moore informed members that Congressman Sabo hopes to be able to stop by.

Pat also reminded the board that there are still two low-income positions vacant, and one private sector position is also vacant. Elections for officers will be held in February.

### **ENERGY COMMITTEE**

No report. John McCauley did report that a new discount approved by the Public Utilities Commission (PUC) and introduced by NSP will affect all agency clients and approximately 70,000 others throughout NSP's service area. Minnegasco is currently communicating with the PUC about introducing a comparable pilot program that will not be as widespread. The average client will save approximately \$120 a year on electric costs. Essentially, NSP will administer the program, but people have to come through the energy assistance program and be certified in order to be eligible.

### **BUDGET/FINANCE COMMITTEE**

No report

### **NOMINATING COMMITTEE**

No report

PLANNING/EVALUATION/PROGRAM OPERATIONS COMMITTEE

No report

OTHER BUSINESS

Bill Davis requested approval of the proposed amendment to the bylaws which changes the title of Executive Director to President/Chief Executive Officer.

**MOTION** was made by Patty Lanapkin and **SECONDED** by Brett McNeal. **MOTION CARRIED.**

Pat Kelly referred to the board meeting dates for 1995 (included in the board packets). December board meetings were discussed and it was decided that December meetings would be held as needed.

**MOTION** was made by Patty Lanapkin and **SECONDED** by Louis Moore to approve the 1995 meeting dates. **MOTION CARRIED.**

John McCauley reported that since the board authorized staff to explore the purchase of 2104 Park Avenue, that staff have, in cooperation with Welsh Companies, a commercial real estate firm which also represented us on leasing the space, begun to consider the advantages and disadvantages of owning this facility vs. continuing to lease space. John submitted an 11 year income & expense projection report for board to review. Discussion followed.

**MOTION** was made by Robin Brookes and **SECONDED** by John Williams authorizing staff in association with the Welsh Companies to prepare and present a contingent offer to purchase the property at 2104 Park Avenue for a price not to exceed \$250,000. The offer is contingent on reviewing satisfactory reports on foundation and construction, roof and heating/cooling plant, ADA, asbestos issues and other relevant clearances in title. Any purchase of said property must be ratified by a quorum of the Community Action of Minneapolis Board. **MOTION CARRIED.**

Bill Davis reported that the council has taken action to bring the QWC (Quality Weatherization Construction) to closure. A closeout report will be available at the February meeting.

Bill Davis informed the board that Wilma Lawrence, energy assistance staff, lost her home during the New Year's weekend. Everyone, however, escaped unharmed.

ADJOURNMENT

**MOTION** made by John Williams and **SECONDED** by Patty Lanapkin to adjourn. Meeting adjourned at 6:45 p.m. **MOTION CARRIED.**

November 30, 1994

PROPOSED AMENDMENT TO BYLAWS  
of  
COMMUNITY ACTION OF MINNEAPOLIS

This amendment changes the title of Executive Director to President/Chief Executive Officer.

ARTICLE VII:

Administration and Management

The overall administration and management of the corporation shall be the responsibility of a salaried staff head, titled the **President/Chief Executive Officer**, who shall be employed and appointed by and directly responsible to the Board of Directors.

The **President/Chief Executive Officer** shall be the chief executive and operating officer of the corporation, with responsibility for the management and direction of all operations, programs, activities, and affairs of the Corporation, including employment and termination of employment and the determination of compensation of members of the staff and supporting personnel, functioning within the framework of policy aims and programs as generally determined by the Board of Directors. The **President/Chief Executive Officer** shall execute all contracts or instruments requiring an officer's signature unless the Board directs otherwise. The **President/Chief Executive Officer** shall have such other duties as may be prescribed by the Board.

EXHIBIT B TO  
AFFIDAVIT OF JOHN HARVANKO



**STATE OF MINNESOTA  
WEATHERIZATION ASSISTANCE PROGRAM  
GRANT CONTRACT**

This grant contract is between the State of Minnesota, acting through its **Department of Commerce** ("State") and **Community Action of Minneapolis** ("Grantee").

**Recitals**

1. The State has been granted funds by the United States Department of Energy (USDOE) and the United States Department of Health and Human Services (USDHHS) for the purposes set forth in the Energy Conservation and Renewable-Resource Assistance for Existing Buildings Act, as amended, 42 U.S.C.A. 6861 to 6873, and the Low-Income Home Energy Assistance Act, as amended, 42 U.S.C.A. 8621 to 8629.
2. The Minnesota Legislature has appropriated funds for the purposes set forth in Minnesota Statutes 1993 Supplement, section 239.785, subdivision 6, as well as MN Session Laws 2013, chapter 85, article 1, section 13, subdivision 7.
3. Under Minnesota Statutes §216C.02, the State is empowered to enter into this grant contract.
4. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract to the satisfaction of the State.

**Grant Contract**

**1 Term of Grant Contract**

- 1.1 **Effective date:** **July 1, 2014**, or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.

The Grantee must not begin work under this grant contract until this contract is fully executed and the State has issued and the Grantee has received a Notice of Funds Available (NFA) to the Grantee. Each NFA issued by the State will specify the time period during which the Grantee may perform work and incur eligible costs under this contract. Such time period specified in an NFA may begin on or after the effective date of this contract and may end on or before the expiration date of this contract.

- 1.2 **Expiration date:** **June 30, 2015**, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

- 1.3 **Survival of Terms.** The following clauses survive the expiration or cancellation of this grant contract: 4.3 Repayment; 8. Liability; 9. Reporting; 12. Audits; 13. Government Data Practices and Intellectual Property; 14.2 State Property; 17. Publicity and Endorsement; 19. Governing Law, Jurisdiction, and Venue; 20. Termination, Repayment and Cooperation; and 21. Data Disclosure.

**2 Grantee's Duties**

The Grantee will perform the duties specified in the Work Plan and Budget as found in the online Electronic Household Energy Automated Technology (eHEAT) application.

The Grantee will maintain access to and utilize the State's Electronic Household Energy Automated Technology™ (eHEAT) system through the Grantee's connection(s) to the Internet and Weatherization Assistant (WA) software.

The Grantee will perform work and expend funds in accordance with the Minnesota Weatherization Assistance Program (MnWAP) State Plan; the MnWAP Policy Manual; DOE Weatherization Program Notices, including but not limited to 11-6, 12-5, and 14-4; the Minnesota State Work Specifications (SWS) (starting April 1, 2015); the Minnesota Low Income Home Energy Assistance State Plans (LIHEAP) for Federal Fiscal Years (FFY) 2013, 2014, 2015; as well as the Liquefied Petroleum Gas Account (section 239.785, subdivision 6) and Residential Oil Heating Plant (chapter 272.02) statutes as appropriate.

During PY2014, Minnesota will incorporate technical guidance from the existing Minnesota Field Guide, the Minnesota Weatherization Policy Manual, the National Renewable Energy Lab's (NREL) Standard Work Specifications (SWS), and the New Mexico-based Deck of Cards (a minimum of 250 specific SWS requirements incorporated into the new Minnesota SWS). The new Minnesota SWS will cover Single Family, Mobile Home, and Multifamily dwellings. For PY 2014, Minnesota will expect subgrantees to transition to the Minnesota SWS in accordance with WPN 14-4. By April 1, 2015 all units reported to DOE as completed will be inspected to ensure compliance with the specifications outlined in the Minnesota SWS. Starting July 1, 2015, Minnesota will require all subgrantees to adhere to the Minnesota SWS. All final inspections must be conducted and signed off by a certified Qualified Control Inspector.

The Grantee acknowledges understanding through the acceptance and authorized signing of this contract that all weatherization work in Minnesota must be performed in accordance with the above documents and within the above timeframes.

**3 Time**

The Grantee must comply with all time requirements described in this grant contract.

**4 Consideration, Payment, Federal Funds, Repayment and Program Income**

**4.1 Consideration.** The State will pay for all services performed by the Grantee under this grant contract as follows:

The Grantee will be paid for eligible costs actually and necessarily incurred in the performance of its duties. As funds become available to the State for the purposes of this grant contract, the State will issue to the Grantee a Notice of Financial Assistance ("NFA") specifying the amount of funding available to the Grantee under this contract. The NFA is incorporated into this contract. The Grantee will expend funds only within the cost categories and amounts specified in NFA(s) and in eHEAT.

**4.2. Payment**

**4.2.1 Invoices.** The State will promptly pay the Grantee after the Grantee presents an itemized cash request (invoice), in a form prescribed by the State, and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:  
The Grantee may submit invoices as needed for eligible costs actually and necessarily incurred in the performance of the Grantee's duties, and for eligible costs anticipated to be incurred in the performance of the Grantee's duties for a period of thirty days following the date of the invoice, less unexpended advance balances, if any.

**4.2.2. Federal funds.** Payments under this grant contract will be made, in whole or in part, from federal funds obtained by the State through the USDOE under the Energy Conservation and Renewable-Resource Assistance for Existing Buildings, as amended, 42 U.S.C.A. 6861 to 6873, CFDA Number 81.042; and the USDHHS under the Low-Income Home Energy Assistance Act of 1981, as amended, 42 USC 8621 to 8629, CFDA Number 93.568 (Acts). The Grantee is responsible for compliance with all federal laws, rules and requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Grantee's failure to comply with federal laws, rules or requirements. In addition to the Acts, applicable federal laws, rules, and requirements may include, but are not limited to:

- 4.2.2.1 Weatherization Assistance for Low Income Persons Rule (10 CFR part 440);
- 4.2.2.2 USDOE Financial Assistance Rules (10 CFR part 600);
- 4.2.2.3 OMB Circulars Number A-133 and 2 CFR part 215;
- 4.2.2.4 OMB Common Rule as codified at 29 CFR 97;
- 4.2.2.5 ASMB C-10;
- 4.2.2.6 Non-discrimination requirements under the Civil Rights Act of 1964 (42 USC 2000d) as amended by the Equal Employment Opportunity Act of 1972, the Rehabilitation Act of 1973 (29 USC 794), the Age Discrimination Act of 1975 (42 USC 794), and the Americans with Disabilities Act of 1990 (42 USC 12101);
- 4.2.2.7 President's Executive Order 12549 and the implementation regulation Nonprocurement Debarment and Suspension, Notice and Final Rule and Interim Final Rule found at 53 FR 19189, May 26, 1988, as amended at 60 FR 33041, June 26, 1995, including Appendix B, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions";
- 4.2.2.8 Interim Final Rule, New Restrictions on Lobbying, 53 FR 38, February 26, 1990, and any permanent rule adopted in place of the Interim Final Rule;
- 4.2.2.9 Political Activity provisions of Title 5 of the United States Code;
- 4.2.2.10 Drug-Free Workplace Act of 1988; and
- 4.2.2.11 Fair Labor Standards Act.

**4.3 Repayment.** The Grantee will repay the State any funds paid to the Grantee by the State for costs which:

- 4.3.1 the State determines are not eligible under this contract;
- 4.3.2 the Grantee has been or will be compensated by another entity;
- 4.3.3 the Grantee's records do not clearly substantiate as eligible under this contract; or

4.3.4 are identified as a financial audit exception.

4.4 **Program Income.** All interest or other income earned by the Grantee on funds advanced to the Grantee by the State will be considered program income, and must be reported to the State. Program income may only be expended for activities and costs that are eligible under this grant contract.

## 5 Conditions of Payment

All services provided by the Grantee under this grant contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

## 6 Authorized Representative

The State's Authorized Representative is **Michelle Gransee**, Weatherization Program Supervisor, or her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative **William Davis, President/CEO**, or their successor. If the Grantee's Authorized Representative changes at any time during this grant contract, the Grantee must immediately notify the State.

## 7 Assignment, Amendments, Waiver, and Grant Contract Complete

7.1 **Assignment.** The Grantee may neither assign nor transfer any rights or obligations under this grant contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this grant contract, or their successors in office.

7.2 **Amendments.** Any amendment to this grant contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this grant contract, that failure does not waive the provision or its right to enforce it.

7.4 **Grant Contract Complete.** This grant contract contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract, whether written or oral, may be used to bind either party.

## 8 Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract.

## 9 Reporting

The Grantee will provide all reports as may be required by the State from time to time, including but not limited to:

9.1 Monthly Financial Status Report (FSR), in a form prescribed by the State, no later than 10 calendar days following the end of each month;

9.2 Monthly Weatherization Report, in a form prescribed by the State, no later than 10 calendar days following the end of each month;

9.3 Final Financial Status Report, in a form prescribed by the State, no later than 30 days calendar following the expiration of this grant contract, including a listing of unliquidated obligations of grant funds, if any.

## 10 Monitoring and Corrective Action

10.1 **Monitoring.** The Grantee will allow the State access to its business site(s) and will secure written permission from its clients to allow the State access to client's sites for the purpose of monitoring Grantee performance and compliance with contract requirements. The Grantee will cooperate with the State in the performance of such monitoring activities.

10.2 **Corrective Action.** If the State finds that the Grantee's performance is deficient or has not complied with contract requirements, the Grantee will implement any corrective action determined by the State.

## 11 Financial Records

The Grantee will use such fiscal, audit and accounting procedures as may be necessary to assure and promote sound financial management, including effective internal controls, and will maintain business records in conformance with generally accepted accounting and auditing principles, to fully evidence its costs and expenses.

## 12 Audits

- 12.1 *State Audits.* Under Minn. Stat. §16C.05, subd. 5, the Grantee's books, records, documents, and accounting procedures and practices relevant to this grant contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract.
- 12.2 *Federal Audits.* The Grantee's books, financial records, programmatic records, documents, and accounting procedures and practices relevant to this grant contract are subject to examination by the USDHHS, the USDOE and the Comptroller General of the United States, or their designated representatives, for the greater of a period three years after the expiration date of this contract or on completion of a federal audit if one is commenced within three years after the expiration date.
- 12.3 *Single Audit.* The Grantee must comply with the financial and compliance audits requirements of the Single Audit Act Amendments of 1996 and OMB circular No. A-133, "Audit of States, Local Governments and Non-Profit Organizations."
- 12.4 *Program Specific Audit.* In addition to Clause 12.3, the Grantee must, upon request from the State, conduct a program specific audit of the Grantee's Weatherization Assistance Program using the guidelines set forth in CFDA 81.042 and OMB circular No. A-133, "Audit of States, Local Governments and Non-Profit Organizations."

## 13 Government Data Practices and Intellectual Property

- 13.1. *Government Data Practices.* The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State.

If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

- 13.2. *Intellectual Property Rights.* The Grantee shall own all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the works and documents. The "works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this grant contract. "Works" includes documents. The "documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this grant contract.
- 13.3 *License to the State.* Subject to the terms and conditions of this grant contract, the Grantee hereby grants to the State a perpetual, irrevocable, no-fee right and license to make, have made, reproduce, modify distribute, perform and otherwise use the works and documents for any and all purposes, in all forms and manners that the State, in its sole discretion, deems appropriate. The Grantee shall upon the request of the State, execute all papers and perform all other acts necessary, to document and secure said right and license to the works and documents by the State. At the request of the State, the Grantee shall permit the State to inspect the original documents and provide a copy of any of the document to the State, without cost, for use by the State in any manner the State, in its sole discretion, deems appropriate.
- 13.4 *Obligations.* Grantee represents and warrants that materials produced or used under this grant contract do not and will not infringe upon any intellectual property rights of other persons or entities including but not limited to patents, copyrights, trade secrets, trade names, and service marks and names. Grantee shall indemnify and defend the State, at Grantee's expense, from any action or claim brought against the State to the extent that it is

based on a claim that all or part of the materials infringe upon the intellectual property rights of another. Grantee shall be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages including, but not limited to reasonable attorneys' fees arising out of this grant contract, amendments and supplements thereto, which are attributable to such claims or actions.

If such a claim or action arises, or in Grantee's or the State's opinion is likely to arise, Grantee shall, at the State's discretion, either procure for the State the right or license to continue using the materials at issue or replace or modify the allegedly infringing materials. This remedy shall be in addition to and shall not be exclusive to other remedies provided by law.

#### **14 Personal Property, State Property and Exception**

- 14.1 *Personal Property.* Any purchase of non-expendable personal property that has a useful life greater than one year and a per unit cost of Five Thousand dollars (\$5,000.00) or greater must have prior written approval of the State.
- 14.2 *State Property.* Non-expendable personal property that has a useful life greater than one year that is purchased with funds provided under this grant contract shall be the property of the State. Such property in the possession of the Grantee will be subject to an annual inventory audit. The Grantee will deliver such property to the State within thirty days after the expiration or termination of this contract, unless instructed otherwise in writing by the State.
- 14.3 *Exception.* The requirements of this clause do not apply to weatherization materials and equipment granted to program subgrantees.

#### **15 Workers' Compensation**

The Grantee certifies that it is in compliance with Minn. Stat. §176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

#### **16 Affirmative Action**

The Grantee certifies that it has received a Certificate of Compliance from the Commissioner of Human Rights pursuant to Minn. Stat. §363A.36.

#### **17 Publicity and Endorsement**

- 17.1 *Publicity.* Any publicity regarding the subject matter of this grant contract must identify the State and USDOE as the sponsoring agencies and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract.
- 17.2 *Endorsement.* The Grantee must not claim that the State or USDOE endorses its products or services.

#### **18 Plain Language**

All written materials developed or used by the Grantee to communicate with subgrantees or subgrant applicants must be understandable to a person of average intelligence and education.

#### **19 Governing Law, Jurisdiction, and Venue**

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract. Venue for all legal proceedings out of this grant contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

#### **20 Termination, Repayment, and Cooperation**

- 20.1 *Termination by the State.* The State may immediately terminate this grant contract with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

- 20.2 **Termination for Insufficient Funding.** The State may immediately terminate this contract if funding is withdrawn by the US Department of Energy; the Minnesota Legislature, or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.
- 20.3 **Termination by the Grantee.** The Grantee may terminate this grant contract at any time, with or without cause, upon thirty days written notice to the State. Such written notice must include proposed terms for the discontinuation of the Grantee's services and an estimated final invoice for the Grantee's services performed. No later than thirty days after termination, the Grantee must submit a final invoice to the State. The State may accept or reject in whole or in part the Grantee's proposed terms, estimated final invoice or final invoice, and shall notify the Grantee of its decision within five business days of its receipt of the Grantee's termination notice, and within fifteen business days of its receipt of the Grantee's final invoice. Upon termination and submission of a final invoice, and upon acceptance of the final invoice by the State, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 20.4 **Repayment for Ineligible costs.** If the State or the Grantee terminates this contract, the State may withhold payment for outstanding invoiced costs pending its determination of the eligibility of all costs for which the Grantee has been paid by the State. If the State determines that total payments to the Grantee under this contract exceed eligible costs actually incurred by the Grantee, the Grantee will repay to the State all funds received in excess of eligible costs. This clause shall not be construed to bar any other legal remedies the State may have to recover funds expended by the Grantee for ineligible costs.
- 20.5 **Cooperation.** In the event of termination under this clause, the Grantee will fully cooperate with the State in the transfer of program information, records and equipment to the State and/or any other entity designated in writing by the State to receive such information, records and equipment.

**21 Data Disclosure**

Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

**22 Minn. Stat. §181.59**

The vendor will comply with the provisions of Minn. Stat. §181.59 which requires:

Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees: (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

(Continued on next page)

**23 Criminal Background Checks**

The Grantee will conduct a criminal background check according to its own internal written policy on all employees, crews and contractors hired on or after July 1, 2009. The Grantee shall use the Minnesota Bureau of Criminal Apprehension's Computerized Criminal History system.

**1. STATE ENCUMBRANCE VERIFICATION**

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and 16C.05.

Signed: Donna Leonard

Date: 6-23-14

CFMS Grant Contract No. 29525 / 9396

**2. Community Action of Minneapolis**

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable statutes, bylaws, resolutions, or ordinances.

By: AK

Title: Chair

Date: 6/23/14

By: William J. [Signature]

Title: Pres/CEO

Date: June 23, 2014

**3. MINNESOTA DEPARTMENT OF COMMERCE**

By: [Signature]  
(with delegated authority)

Title: Deputy Commissioner

Date: 6-25-14

**Distribution:**

MN Dept. of Commerce, Accounting Dept.  
Community Action of Minneapolis  
State's Authorized Representative (copy)

EXHIBIT C TO  
AFFIDAVIT OF JOHN HARVANKO





85 7TH PLACE EAST, SUITE 500  
SAINT PAUL, MN 55101-2198  
MN.GOV/COMMERCE/  
651.539.1500 FAX 651.539.1547  
AN EQUAL OPPORTUNITY EMPLOYER

September 26, 2014

Mr. D. Michael Anderson, Board Chair  
Mr. William Davis, CEO  
Community Action of Minneapolis, Inc.  
505 East Grant Street, Suite 100  
Minneapolis, MN 55404

VIA U.S. Mail

Dear Mr. Davis and Mr. Anderson:

This letter serves as written notice that due to serious concerns about Community Action of Minneapolis' (CAM's) stewardship of resources and declining ability to service low-income individuals in Minneapolis, the Minnesota Department of Commerce is immediately terminating its contracts with CAM. Commerce is taking the necessary steps to terminate the Low-Income Energy Assistance Program Grant Contract for fiscal year 2014 ("LIHEAP Grant Contract") and the Weatherization Assistance Program Grant Contract ("WAP Grant Contract") for fiscal year 2015 with Community Action Minneapolis.

**Pursuant to Section 20.1 of the LIHEAP Grant Contract, consider this written notice that Commerce is immediately terminating the contract. Pursuant to Section 20.1 of the WAP Grant Contract, consider this written notice that Commerce is terminating this contract in 30 days.**

CAM remains under a continuing obligation to fulfill its obligations under both the LIHEAP Grant Contract and the WAP Grant Contract, which includes the immediate return of State property as defined in the contracts and the obligation to transfer client files to any successor service provider(s). Further, CAM should incur no new obligations for either of these programs and all outstanding obligations should be cancelled as soon as possible. Under the Weatherization Assistance Program, termination costs may be allowable, pursuant to 10 CFR § 600.25. With respect to the funding for the Weatherization Assistance Program, CAM has the right to be heard regarding why it should continue to receive funding for the program, pursuant to 10 CFR § 440.15(e).

The Commerce Department reserves all of its rights and remedies available under both the WAP Grant Contract and the LIHEAP Grant Contract, including its right to audit under Section 12.1 and its right to reclaim State Property under Section 14.2.

Sincerely,

  
William B. Grant  
Deputy Commissioner  
Minnesota Department of Commerce, Division of Energy Resources