

ARROWHEAD ECONOMIC
OPPORTUNITY AGENCY

2020
ANNUAL
REPORT

AEOA Strengthens Communities by providing opportunities for
people experiencing social and economic challenges.

www.aeo.org / 800-662-5711 / planning@aeoa.org



ARROWHEAD ECONOMIC OPPORTUNITY AGENCY

NEW SENIOR LEADERSHIP

Moving the Agency Forward

In 2019, AEOA experienced the largest shift in leadership in its history. Not only did Executive Director, Paul Carlson, retire, but the long-time Fiscal and Employment & Training Directors did as well. Due to internal promotions to these roles, the Assistant Executive Director and Housing Director positions were also opened for hire.

Scott Zahorik was selected as the new Executive Director. Scott has worked at the Agency for eight years having served as the Assistant Executive Director and the Director of Housing overseeing Rental and Homeless Services, Energy Programs, and Homeowner and Commercial Rehabilitation Services.

Scott previously served as the Director of Asset/Housing Development at KOOTASCA Community Action for seven years, Assistant Director for an additional five years, and held a variety of other positions in his 21-year career with KOOTASCA.



Pictured Left to Right: Paul Carlson (Exiting Executive Director, Jeff Kletscher (Board Chair), and Scott Zahorik (New Executive Director)

Scott also serves as a member of the Northeast MN HOME Consortium, the Minnesota Weatherization Advisory Group and the Energy Assistance Coordinators Association.

He attended Dunwoody College of Technology, St. Paul College and Hibbing Community College and earned diplomas in a variety of HVAC and electrical disciplines.

Scott enjoys spending time with his family, hunting, fishing and working on home repair and construction projects. He and his wife Maria live in Cherry and they have two grown children and three grandchildren.

"I am pleased he [Scott] was selected to be our new Executive Director.

Mr. Zahorik's 29-years of working for Community Action Programs demonstrates his commitment to those served by AEOA."

~Jeff Kletscher, Board Chair



Cathy Pazzelli, current Human Resources Director, was selected to fill the role of Assistant Executive Director. Cathy has worked at the Agency for 20 years in the Human Resources Department and holds a bachelor's degree from the College of St. Scholastica. She previously worked in the healthcare industry and as an adjunct instructor at local community colleges. In her new role, Cathy wants to continue to increase awareness of and advocate on behalf of the Agency's mission and services. She also seeks to grow, support and value our workforce and build upon, as well as develop new collaborations with community partners and those we serve.



Emily Celley has taken on the role of Chief Financial Officer. Emily has been working within the Fiscal Office for 22 years and holds a Bachelor of Science degree in accounting from Bemidji State University. She began her career at AEOA as an Accountant eventually moving into the Assistant Director of Executive Services role before becoming the new CFO this spring. Emily is currently working on completing her Certified Public Accountant (CPA). She is looking forward to providing AEOA's funding sources with timely and accurate financial information and to keep AEOA staff informed through training as fiscal regulations are updated.

Jan Francisco was selected as the new Employment and Training Director. Jan has worked at AEOA for 23 years and holds a bachelor's degree and postgraduate work in Psychology. She started at AEOA as an Employment Counselor moving to Performance Lead, Program Manager, and Assistant Director of the department before becoming the department director. Jan believes the priority for the department is to continue to grow and develop the department while expanding available opportunities for participants to improve the quality of their lives, the lives of their families and the community.



Dave Johnson is the new Housing Director. Dave has worked at AEOA for nearly 12 years starting as an Energy Auditor then moving into a Weatherization Production Supervisor, Weatherization and Rehab Manager before becoming the Assistant Housing Director prior to his new role. Dave holds a Contractor's license and has decades of experience in residential and commercial construction having been a union carpenter and previously owning his own contracting business. Dave brings a passion for helping people to his new role as Housing Director.

*"Leadership, on the other hand, is about creating change you believe in."
~ Seth Godin*



Legislatively-designated to serve Cook, Lake, and St. Louis Counties
Reaching ten counties across the Northeast Minnesota
349 Full- and Part-Time Employees

Who We Served - 2019

34,531 individuals served

- 11% identify as black, indigenous, or people of color
- 57% identify as female
- 26% identify as a veteran
- 7% identify as disabled
- 8% are age 17 or younger
- 32% are age 60 or older

13,502 households served

- 70% were at or below the federal poverty limit
- 38% were single person households
- 3% were experiencing homelessness
- 41% were homeowners
- 41% were receiving public assistance
- 3% had no income

Community Impact - 2019

- 3,500 individuals supported in achieving education and workforce goals
- 446 children provided school readiness skills
- 554 households provided safe affordable housing
- 9,575 households provided home energy improvements and utility payments
- 31,124 individuals provided local food resources or food shelf boxes
- 9,834 seniors assisted in maintaining an independent living situation
- 802,450 gas vouchers, bus, or volunteer rides provided

STRATEGIC PLAN 2020-2022

Mapping the Way Forward

After completing our Community Needs Assessment (CNA) in the previous year, 2019 was a Strategic Planning Year for AEOA. Our strategic plan needs to be based on the CNA and guides the development of our Community Action Plan (AEOA's funding request for core mission dollars).



The AEOA Board Planning Committee, Executive Leadership, and Planning Department designed and implemented a dynamic process for strategic planning that the Agency had not used in the past. The approach was implemented with the theory, “Nothing about us, without us.”, in mind. The strategic plan was designed at the intersection of Board priorities, community needs, agency leadership and funder priorities, and emerging issues of the people we serve.

The Strategic Planning work was performed from July to December 2019 and included one-to-one interviews with AEOA Board members and focused conversations with Agency Directors, Assistant Directors, and staff at all levels of our work. The Plan was also informed by the 2018 Community Needs Assessment which included an employee survey.



After several months of conversations and data review, the Board approved the AEOA Strategic Plan for 2020-2022.

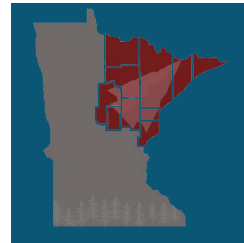
The three strategic directions selected for 2020-2022 are:

- **Increase the visibility and awareness of the Agency's mission and programming**
- **Enhance service delivery at the community level**
- **Increase community support and capacity for affordable housing**

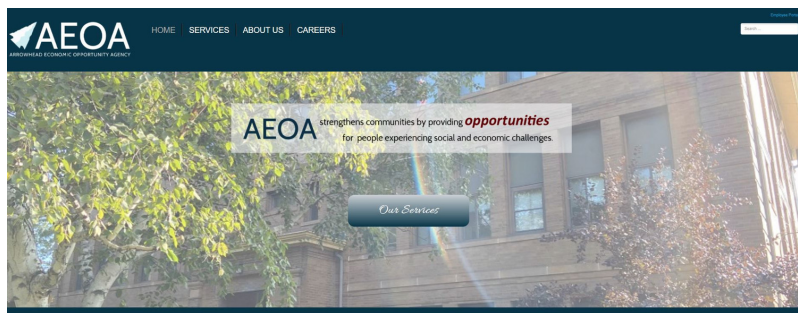
Action Plans for each direction were created, but the COVID-19 pandemic hampered implementation of some action steps. Even with the limitations caused by pandemic related service shifts, AEOA succeeded in moving forward with several items.

This year a core group of staff focused on reimagining our logo, creating a new website, and increasing our visibility and public relations efforts.

The AEOA logo was last updated in 1999. The new logo, and supporting components, modernize AEOA's image, better tell our story, and work well with various media tools.



The website was last updated in 2012. The new website is customer focused, with increased consistency between pages and accessibility features which make page navigation easier. The website will feature three programs on the main page throughout the year.



The Agency also drew upon multiple media tools from the National Community Action Partnership in order to share our story and show the public that we are working together to solve community problems. Telling our story is key to building partnerships between AEOA, the households we serve, and our fellow human service providers.

The changes made through the work of the 2020 Strategic Plan has laid a firm foundation for next steps in 2021 and beyond.

RESPONDING TO COVID-19 PANDEMIC

Forward Together

The year 2020 has been a defining moment in AEOA's fifty-five-year history. Just months after five new leaders were installed, the Agency faced a global crisis – the COVID-19 pandemic. Like many in the communities we serve, we are still learning about the effects of COVID-19 and have had to adjust program services, delivery methods, and safety protocol on an almost daily basis.

#CommunityActionRespond
#WR1000Strong
#BeCommunityAction



As a community action agency, providing over 70 human service programs across the region, Agency leadership felt it was AEOA's responsibility to continue to offer critical community services to those in need. Most of AEOA's services remained open, but shifted to phone, email, or virtual delivery. Department Directors worked with program funders to adapt program guidelines to allow for alternative delivery of services where applicable.

We understand that changes in services may create a hardship for those we serve and attempted to put parameters in place to allow staff to provide services in flexible and diverse ways. AEOA has numerous funding streams with varying responses to the pandemic which have guided our decision making. Leadership continues to monitor the situation as developments occur and work to address pressing needs in the community as they are identified.

AEOA's staff have shown throughout the pandemic crisis their passion and dedication to serving our most vulnerable neighbors in their time of need. The Agency also drew upon the strong history of collaboration and cooperation in Northeast Minnesota to work with current and new partners to leverage resources responding to the crisis in the most efficient manner possible.



When AEOA performed the required COVID Community Needs Assessment to meet the guidelines of receiving Emergency Community Service Block Grant (E-CSBG) funding, we found that community members were struggling to pay their utilities, rent or mortgage; to buy household supplies and food; and to have access to internet to attend to school or work needs. The Agency's response worked to address these needs and secondary household issues that would support solving each family's challenges.

Housing and Utility Support

While the Minnesota Governor's Emergency Declaration put a moratorium on evictions, it did not do the same for rent or utility payments. AEOA Housing services continued to serve households struggling to pay energy bills and remain housed. The Bill's House homeless shelter remained fully staffed with adjustments to reduce exposure risk to staff and residents. Masks were provided by the Virginia Fire Department, disinfectant supplies were provided by the Salvation Army, and many community partners provided food to residents in need.

AEOA ENERGY ASSISTANCE PROGRAM			
COVID-19 RELIEF THROUGH ENERGY ASSISTANCE PROGRAM			
THE MINNESOTA ENERGY ASSISTANCE PROGRAM HAS RELEASED REVISED INCOME GUIDELINES & PROGRAM EXTENSION EFFECTIVE APRIL 1ST, 2020			
Application Signature Month:	Provided month of income proof:	Number of household members	GROSS income = (1) month
April 2020	March 2020	1	\$2,253
May 2020	April 2020	2	\$2,947
June 2020	May 2020	3	\$3,641
APPLICATIONS MUST BE RECEIVED OR POST MARKED BY JULY 1ST 2020			
		4	\$4,334
		5	\$5,028

PLEASE CALL OR EMAIL WITH QUESTIONS FOR APPLICATION REQUESTS
APPLICATIONS AND INCOME VERIFICATION CAN BE MAILED OR EMAILED
MAILING ADDRESS: AEOA ATTN: ENERGY ASSISTANCE 702 3RD AVE S VIRGINIA, MN 55792
PHONE: 218-735-6839 OR TOLL FREE 844-568-0140
FAX 612-465-5869
EMAIL: EAP.DOCUMENT@AEOA.ORG

AEOA's Energy Assistance program altered eligibility guidelines under the guidance of the Minnesota Department of Commerce. The application deadline was extended, and households could use one-month of income verification versus three. The amount of crisis funds available per household was also increased.

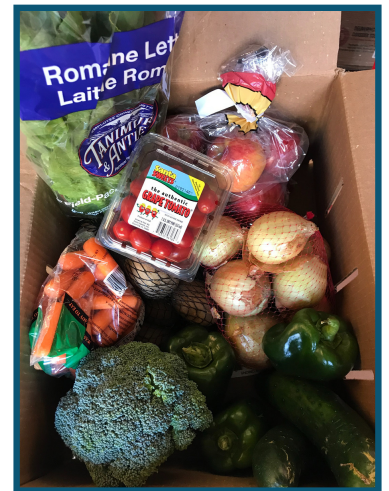
To keep people experiencing homelessness who have exhibited symptoms of COVID safe, AEOA partnered with St. Louis County Public Health to secure hotel rooms in three communities. The clients would then be able to quarantine for the required amount of time with access to food, cleaning services, and mental health/housing case management.

Food Access

AEOA addressed food security through distribution of shelf-stable meal kits and fresh and frozen food boxes, purchasing local produce to shore up food shelf resources, and by increasing available food to the Little Free Pantries. The Agency performed this work with a wide range of partners from Second Harvest Northern Lakes, to food shelves, public housing, senior service providers and other nonprofit organizations.

The largest undertaking was the distribution of United States Department of Agriculture (USDA) Coronavirus Food Assistance Program (CFAP) fresh produce/dairy and fresh or frozen protein boxes. AEOA staff and volunteers distributed nearly one million pounds of fresh and frozen food to families in need through these events.

The Agency also distributed shelf-stable meal kits, ranging from 5 to 42 meals per kit, to seniors and other targeted populations with the help of our partners and Arrowhead Transit. Much like the CFAP events, kits were distributed through contactless parking lot events and were also delivered to households by community partners.





AEOA was also able to secure funds to buy food grown locally in the Arrowhead. This food was provided to the food shelves within the Northeast Minnesota Food Shelf Network. One producer was the Wolf Ridge Environmental Learning Center. AEOA's partnership with Wolf Ridge allowed the organization to maintain their growing infrastructure throughout the summer even though they were shut down to the public for summer learning camps, saving several staff positions from layoff.

Technology Resources

To address the lack of access to technology resources, AEOA worked with the Blandin Broadband Communities team to secure funds to provide low-cost internet devices and computers to households in need. Adult Education and Head Start Instructors, Employment Counselors, and Housing Case Managers referred families to the program which provided one year of internet service to the client for \$20. Individuals were also able to purchase a computer for an additional \$20. The internet distribution event was performed outside with social distancing and masking parameters in place. Computers were mailed directly to the client's home. Nearly 100 families accessed internet or computer resources through this endeavor and AEOA looks forward to continuing this effort into the future.



pcsforpeople

Transportation Services

To assist with transportation needs during the pandemic Arrowhead Transit waived bus fares throughout their service area. This not only alleviated transportation cost burden for the households we serve but aided in limiting contact between riders and drivers. Transit also had masks available to riders who may have forgot theirs and reduced capacity on the buses to ensure adequate social distancing. To further protect against COVID-19, the buses are being sanitized frequently and have ample supplies of hand sanitizer, cleaning wipes, safety gloves, and personal protective equipment (PPE).

Arrowhead Transit has played a key role in delivering food resources to households and communities throughout the pandemic. Their busing and volunteer driver infrastructure was an invaluable resource to serve rural and homebound households and communities.



*"Those who are happiest are those who do the most for others."
~ Booker T. Washington*



PROGRAMS AND SERVICES

Central Services: Guides, supports, and unifies AEOA services to maximize resources and ensure progress and accountability in carrying out the mission of the Agency

- Administration
- Fiscal Services
- AEOA Foundation Fund
- Information Technology
- Human Resources
- Planning

Employment & Training: To enhance the employability and skills of individuals so that they may achieve their life goals.

- Adult Basic Education
- Adult Scholarship Program
- Career Pathways
- Diversionary Work Program
- Dislocated Worker Program
- English Language Learning
- Free at Last and Freestyle
- Family Assets for Independence in Minnesota
- Minnesota Family Investment Program
- Minnesota Family Resiliency Program
- Senior Employment Programs
- Supplemental Nutrition Assistance Program Outreach and Employment Services
- YouthBuild

Arrowhead Head Start: To work in community partnerships to provide comprehensive support to young children and families in need on their journey toward social and economic growth; together, we build a stronger future.

- Early Head Start Home-Based
- Pre-school Center-Based
- Pre-school Home-Based

Housing Services: To build communities by helping people meet their basic living needs; have affordable, quality housing; and to improve their quality of living.

- Business Energy Retrofit
- Downtown Building Rehabilitation
- Emergency & Transitional Housing
- Energy Assistance
- Healthcare Access
- Homeless Youth Housing
- Homeownership Education and Financial Assistance
- Homeless Prevention and Rehousing
- Permanent Supportive and Rental Housing
- Single-family Rehabilitation
- Transitional Housing
- Weatherization

Senior Services: To help older adults meet the demands of daily living while providing opportunities to improve the quality of their lives.

- Arrowhead RSVP
- Bone Builders Exercise Class
- Food Access
 - Food Shelves
 - Rutabaga Project
- Grocery Delivery Service
- Live Well at Home
- Medical Equipment Loan Closet
- Medicare Partners 20% Medicare Write-off
- Nutrition Services for Seniors
 - Bundled Services
 - Meals on Wheels
 - Senior Dining
- Northland Volunteer Center
- Senior Expo/Carnival
- Supplemental Nutrition Assistance Program Outreach
- Tax Preparation Assistance

Arrowhead Transit: To provide affordable, safe, accessible public transportation and supports independent living and self-reliance.

- Arrowhead Transit
- Dal-a-Ride
- Rural Rides
- Volunteer Driver Program



AEOA

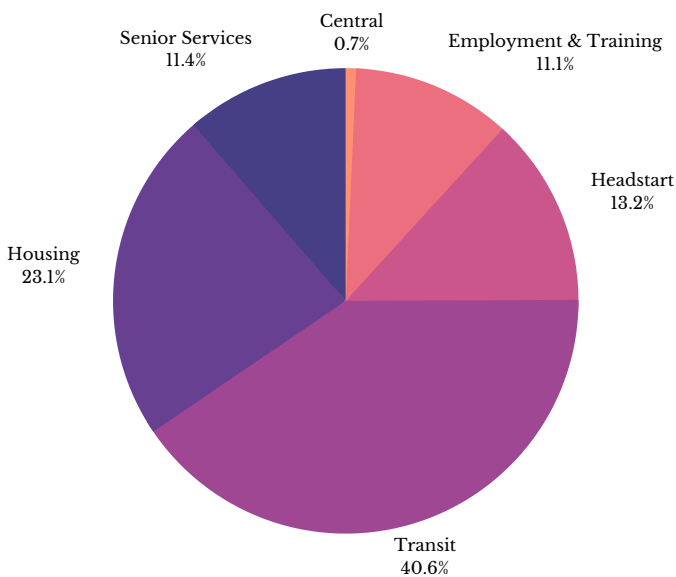
FINANCIAL SUMMARY

Unaudited Statement of Financial Position as of June 30, 2020

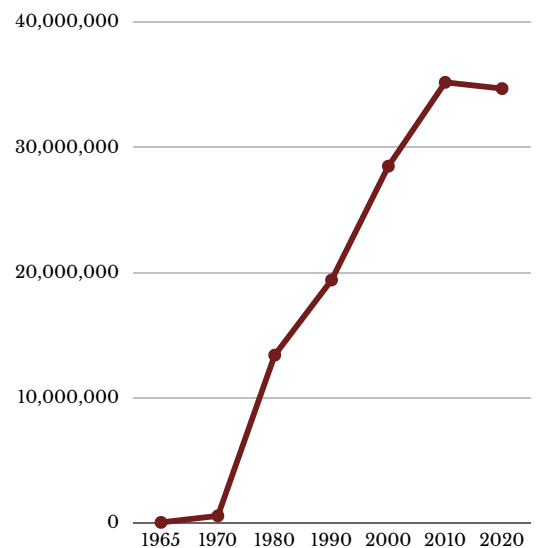
Current Year Balance	
Assets	
Current Assets	
Cash and Cash Equivalents	8,090,156.52
Grant Receivables	5,047,050.12
Other Receivables	906,837.23
Inventory	294,423.28
Prepaid Expenses	392,564.00
Other Current Assets	125,618.43
Total Current Assets	14,856,649.58
Property and Equipment	
Property and Equipment, Net	14,089,784.24
Total Property and Equipment	14,089,784.24
Non Current Assets	
Loan Receivable	5,410,899.08
Other Receivable	400,000.00
Total Non Current Assets	5,810,899.08
Total Assets	34,757,332.90

Liabilities	
Current Liabilities	
Accounts Payable	333,310.23
Accrued Paid Leave	1,324,337.68
Unearned Revenue	428,398.28
Total Current Liabilities	2,086,046.19
Long Term Liabilities	
Deferred Revenue - loans	11,659,231.07
Long Term Debt	3,633,643.74
Total Long Term Liabilities	15,292,874.81
Total Liabilities	17,378,921.00
Net Assets	
Unrestricted - undesignated	1,543,540.16
Unrestricted-designated for programs	14,113,447.17
Current year change in net assets	1,721,424.57
Total Net Assets	17,378,411.90
Total Liabilities and Net Assets	34,757,332.90

Unaudited Annual Expenditures by Program July 1, 2019 to June 30, 2020



Historical Levels of Funding 1965-2020



2020 BOARD OF DIRECTORS

Kevin Adee
1st Vice-Chairperson
Public Sector

Thomas Cvar
Treasurer
Private Sector

Ben DeNucci
Public Sector

Reggie Engebritson
Private Sector

Marisa Fontaine
Consumer Sector

Beverly Green
Private Sector

Robert Hietala
Private Sector

Brianna Holland
Private Sector

Bethany Johnson
Consumer Sector

Michael Jugovich
Public Sector

Jeff Kletscher
Chairperson
Consumer Sector

Rory Koch
Consumer Sector

Bob Larkin
Private Sector

Cherie Averill Manner
Private Sector

Paul McDonald
Public Sector

David Mills
Public Sector

Keith Nelson
Public Sector

Les Northrup
Consumer Sector

Laura Perry
2nd Vice-Chairperson
Private Sector

Gary Peterson
Public Sector

Robin Raplinger
Consumer Sector

Diane Taylor
Consumer Sector

Dana Waldron
Secretary
Private Sector

Laurie Westerlund
Public Sector

Cathy Zelinski
Consumer Sector

Peter Walsh
Public Sector

Glenda Wickwire
Consumer Sector

Promise of Community Action

*Community Action changes people's lives,
embodies the spirit of hope, improves
communities, and makes America a better place
to live. We care about the entire community, and
we are dedicated to helping people help
themselves and each other.*



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