



## BOARD OF DIRECTORS MEETING MINUTES – FEBRUARY 28, 2023

### PRESENT FROM BOARD:

Tawny Espinoza, Dave Hayden, Randy Brown, Justin Aubert, Mike Nordine, Terry Pickens, Brandi Coleman, Krista Ubersox, Kevin Fitzgerald

### EXCUSED ABSENCE(S)

Stephanie Keller, Tamara Krizman, Jim Grisier

### PRESENT FROM STRIVE:

Grant Jackson, Mary Anne Lawrie, Chris Bergquist

OVERVIEW OF MEETING
Minutes were presented and approved.
Grant provided state and organizational updates.
Financials were reviewed and accepted. Chris provided CD options at various financial institutions for investment possibilities.

A quorum was achieved at 12:01 p.m. Dave Hayden presided.

### MINUTES FROM 01/31/2023

Minutes were presented and approved.

**It was M/S/P (Ubersox/Fitzgerald) to approve the minutes from 01/31/2023.**

### PRESIDENT/CEO REPORT

Grant informed the Board there is new legislation to be submitted focusing on host homes. The bill creates a stakeholder group that will work closely with HCPF and advise them on setting up new parameters and guidelines to appropriately regulate host homes. Grant is concerned about knowing how heavily regulated the group homes were and the huge burden it was to run those efficiently. As far as we know, there is no additional funding for this legislation if it gets passed. Grant and Chris are scheduled to meet with Gayle to discuss their concerns so that they can be addressed with the Joint Budget Committee.

We have started to ramp up some of the Vocational programs with Colorado Mesa University (CMU) and Western Colorado Community College (WCCC). We currently have a couple of WCCC interns working with our Styles by STRiVE marketing program working alongside our individuals on a new STRIVE video.

We are collaborating with WCCC's Woodshop to potentially cohabitate our woodshop. They would like to start offering Woodworking classes but did not have a facility to conduct them. We are hoping that our Woodshop will become their satellite campus so they can offer community classes on woodworking. They are also excited to help teach our individuals and have them sit in on their CAD class which is creating designs in two and three dimensions

on the computer. The design can then be utilized as a pattern for a woodworking project. A big thank you goes out to Tamara for setting up meetings with their leadership members who are very interested in partnering with us on a grounds crew program or a Campus Beautification crew. Our individuals will be working alongside crew members in maintaining the college grounds. The Marketing Department is working on a logo for the crew. Grant is scheduled to meet with them again in the next week or two. They also may have some employment opportunities for our individuals.

A question was posed about if an agreement with WCCC will be drafted addressing potential risks involved working with the power tools. Grant responded that we would be seeking legal advice once WCCC has decided on the space. Grant further commented that once the program gets up and running, we may be able to reconsider reverting it back to an employment program.

The topic turned back to the new host home legislation when a member offered Board assistance with advocating alongside Gayle either by writing a letter or another form. Grant appreciated the offer and will take it into consideration. He further commented that this one is concerning because of the extent of regulatory guidelines that may be implemented without any additional funding. This led to a discussion involving parents and guardians, the impact it may have on the host home program as a whole, the financial impact that could arise, etc. Grant will keep the Board apprised of this bill as it evolves.

### **FINANCIAL REPORT**

Chris reviewed January financials. Year-to-date operational income reflects a positive \$322K; adding donations back in reflects \$586K to the good.

Revenue is right on pace with where we forecasted. There is nothing out of the ordinary from a revenue perspective.

There has been a significant decrease in personnel expenses in comparison to last year due to the group home closures.

Operating expenses are trending up with the increase in host home providers.

Operating income is close to forecast.

Net income is close to projections.

Chris reviewed the metric analysis:

- Behavior billing is slightly under forecast due to a couple of behavioral staff leaving. Our Behavior Certified Behavior Analyst agreed to increase her hours. We are also looking at hiring another one. We have two Behavior Line Staff and hope to hire another one.
- Vocational billing was slightly under target. This area continues to struggle with attendance issues.
- Hourly staff continues to run below target due to staffing shortages and group home closures.
- Operating costs are below forecast.

From a balance sheet perspective, cash and assets went down slightly. Accounts receivable is down due to not receiving the ERC credit from the IRS. Chris reported that he has been in contact with Eide Bailey for an update and was told that the credit amount is accruing interest. Chris cannot recognize the interest since we do not know what that amount will be. The current ratio is 3.85, debt to equity 0.26 and month's unrestricted cash 7.41.

**It was M/S/P (Coleman/Fitzgerald) to approve the financials as presented.**

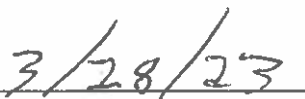
**Investment Opportunity Revisited**

This topic was discussed last month, and the Board requested a comparison analysis with other financial institutions be completed prior to making any decision on this matter. To refresh the Board's memory, with the increase in interest rates, STRiVE would like to take this opportunity and invest in certificates of deposits with monies currently in our Money Market. Chris reached out to several local banks for the rate of interest on their CDs. Interest rates ranged from 2.27% to 4%. Chris also reached out to our banking facility to see if they would offer us a comparable rate and they declined. This led to an in-depth discussion regarding total return of the CD investment, the potential risk on the building note was addressed again, further conversations with the bank representative, terms of the bank note in addition to the definition and/or interpretation of the term primary deposit vs. operating account, seeking legal advice and costs involved, potential consequences involved in moving the money market account, current relations with bank, consideration of refinancing the building note with another financial institution, fiduciary duties of the Board of Directors, etc. After further deliberation, members present did not feel comfortable making a decision without further input from one Board member not present today and had a strong opinion about the investment. The Board requested Chris to reach out to him for his opinion in addition to trying to schedule another meeting with our banking representative to discuss this issue further and bring it back to the Finance Committee.

Chris wanted the Board to know that he and Grant have been working on some cost analysis for raises. Calculations were made from 3% to 8% across the board estimating between \$200K to \$500K. With the current financial status, Leadership Team are currently delving into department budgets to see whether they can be fiscally viable or not. We are currently focusing on programs that generate revenue and expanding on and/or enhancing them to capture more income. Some of the changes will not be able to go into effect until the new fiscal year. In the interim, we are being financially mindful of current operations.

**It was M/S/P (Nordine/Coleman) to adjourn the meeting at 1:09 p.m.**

  
Board Chair

  
Date

