



BOARD OF DIRECTORS MEETING NOTES – SEPTEMBER 25, 2018

PRESENT FROM BOARD:

Joe Warner, Marna Lake, Tommy Johnson, Ben Koger, Tawny Espinoza, Jim Grisier

EXCUSED ABSENCE(S):

Stephanie Keller, Steve Ammentorp, Scott Coleman, Vicki Woods, Justin Ward, Tom Motz

SPECIAL GUEST:

Peggy Jennings, Eide Bailly

PRESENT FROM STRIVE:

Sharon Jacksi, Mary Anne Lawrie, Sarah Bonnell, Tanya Workman, Doug Sorter

OVERVIEW OF MEETING
Minutes from the previous meeting were reviewed.
Peggy Jennings, Eide Bailey reviewed the outcome of the financial audit for FY2017-2018.
Sharon provided state and organizational updates.
Sharon provided the current financial report in Chris' absence.
Sarah and Tanya presented the Annual Report for Family Support Services along with presenting the proposed members of the Family Support Council.
Doug provided an update on the capital campaign efforts.

A quorum was not achieved and the meeting was called to order at 12:04 p.m. so no action items will be approved and will be deferred to the October Board meeting. Tawny Espinoza presided.

MINUTES FROM 08/26/2018

The Board minutes were presented and reviewed. The minutes were deferred to next month for approval.

OUTCOME OF AUDIT FOR FY2017-2018

Peggy Jennings with Eide Bailly met with the Finance Committee prior to the meeting and provided a more in-depth overview of the audit outcome for FY2017-2018. Peggy referred to the comparative financial results over the past 4 years. Peggy pointed out the increase in restricted assets received for the building fund amounted over \$300K with an additional \$100K to program support. Revenue from operations is comparable to other years, but there was a significant decrease with income from Case Management. June ended in a deficit of (\$85K). Peggy then referred to STRiVE's financial performance compared to 4 other community centered boards (Montrose, Canon City, Ft. Collins and Lafayette) that are comparable to STRiVE. This led to an in-depth discussion in relation to the importance of continuing to find additional community support for programs, mill levies, moving towards host homes models, phasing group homes out, attempts to acquire additional state funding for group home operations, other business ventures to generate revenue, etc.

The topic then turned to concerns about the current accounting system potentially not capturing all the overhead to the appropriate programs and other accounting systems that may be more beneficial to management. This was noted and management will take under consideration.

Peggy also apprised Board members of accounting changes for non-profits that will be implemented next year. Non-profits will now have to incorporate footnotes on their financial statements. Peggy will be updating the Finance Committee in January of these changes.

Board members expressed their appreciation and gratitude to Peggy for the overview of the audit. The audit and June financials will be approved next month.

CEO REPORT

On behalf of Chris, Sharon will also address the financials during her CEO report to Board members. Sharon referred to page one of August financial report indicating an operating income of over \$130K prior to donations. Revenue is trending up based on an increase in number of individuals being served, individuals moving to host home and improvement with Case Management and Behavior billing. Year-to-date net income is over \$454K with donations.

Attention turned towards the various graphs presented:

- Revenue is showing over what was originally forecasted and significantly up from last year.
- Personnel expenses are down due to the staffing shortages. Latest

numbers reveal that we are about 20-25 FTE short. Supervisors and management staff are stepping up and working to cover group home shifts and insuring that the staff ratio to individuals is within regulation. We are also looking at advertising in some of the outlying areas. A hiring event has been scheduled for Thursday. Interviews will be completed with potential job offers the same day. Personnel paperwork and background checks will be completed that day in order for them to start CORE training on Monday. We have found that shortening the time from hire to training; helps with retention. Flyers have been distributed at CMU, Western Colorado Community College in addition to putting some on cars in hopes to attract a variety of potential candidates. It was also mentioned that there is shortage of staff in the Human Services field nationwide and this is just not a local problem. The turnover is basically with the Direct Support Professional (DSP) position more so than management and mid-management. Our Occupational Therapist has left and we are currently looking at collaborating with Family Health West and Community Hospital for assistance with our therapeutic services and supports.

- Operating expenses continue to run high due to the new building, contracts and additional expenses with the sale of 950 due to the asbestos abatement. Buyer has agreed to increase the purchase price to \$1.1 million from \$1.05 million along with pledging \$96K towards the campaign over a three year period.
- Metric analysis for August were are as follows:
 - Residency occupancy was at 95.2% which is above target for the month of July.
 - Case Management billing units were slightly under target.
 - Behavior billing units are below target but the department has improved on billing and they continue to be on an upward trend.
 - Total Vocational units billed is over the targeted goal.
 - Staffing is down by 28.6 FTE.
 - Operating costs are running over projection for the month.
- Balance sheet looks good. Peggy already went over the financials in detail. One area Sharon did point out was the months unrestricted cash increased to 4.02 from 3.54.
- Net income shows the month of July was pretty healthy basically due to the number of donations received.

August financials will be tabled to next month's meeting for acceptance.

Construction on 790 is coming along quite nicely. Contractor is targeting December for completion with the closing still scheduled for January 31, 2019. Sharon and Rob Jenkins meet with the contractors on a weekly basis. They currently working on finishing up the outside. Inside is getting ready for painting and flooring. Sharon thought it would be a good idea to have a

meeting out there or plan another tour to show the progress of the construction. The Moving Committee will meeting in the next couple of weeks to start laying out guidelines, i.e. limitation on personal items, no refrigerators or microwaves, etc.

Sharon and Rob are also working on some of the artwork and will be reframing the individual's photographs that are currently on display. These will be placed in group of four to five throughout the new building.

The CEO position closes on Friday.

Sharon has also been working with legal counsel in addressing conflict free case management and the organizational structure when the separation goes into effect.

Sharon, Tanya and Doug will be meeting with the Buell Foundation this afternoon to talk about the campaign and tour 950 and 790. Tanya works with them a lot on the Incredible Years program and they actually invited us to apply for a grant.

FAMILY SUPPORT SERVICES (FSS) ANNUAL REPORT - 2018

It was another successful year for FSS. A total of 180 families were served through the program with only 146 families actively funded and the remainder received Case Management services. The program focuses on reducing, delaying or preventing out-of-home placement, reducing additional stress of supporting a family member with a developmental disability, providing flexible/responsive supports, promoting family choice and encouraging community participation for persons with disabilities. Out of all services offered, Respite is the one that is mostly utilized with 55% of the FSS budget being used for this resource.

FSS Advisory Committee's objectives met for FY2017-2018:

- Created a smoother transition process and provide support for families whose children are turning 5 and in need of the developmental disability determination by the FSS Coordinator requesting constant updates from the Intake Placement Manager on the status of the applicants.
- Continue to provide educational materials for families to help them better understand the available services by consistently updating the FSS handbook with the most current rules and regulations in addition to providing them with other community resources that are available.
- Continue to prevent out-of-home replacement by ensuring our highest needs children receive funding priority by categorizing needs as "high", "moderate" and "low" in order that funding is allocated appropriately.

FSS funding continues to be a critical support for our families. The Allocation Committee budgetary recommendations are as follows:

- The average respite for a family in a six month period is \$1K.
- Families should be placed into the appropriate programs as soon as possible to utilize the correct available funding sources.
- Establish an emergency fund to address short-term crisis or emergency situations that arise during the year - \$2500 has been set aside for this.

The FSS Advisory Council and Allocation Committee for FY18-19 was not reviewed but was included the Board packet. The annual report and appointment of the FSS Council and Allocation Committee will be deferred to the October meeting for approval.

REPORTS

CAPITAL CAMPAIGN UPDATE

Doug distributed a report to members in reference to the current status of the capital campaign. Doug remarked that he had been informed that when projecting campaigns you should also include the down payment on the new building into the equation. With that said, that puts us more in tune to apply at the larger foundation based on attaining a certain percentage of the campaign goal, i.e. Colorado Health Foundation and the Gates Foundation. The fundraising efforts have also taken on two aspects – some foundations are interested in the campaign and others are more interested in supporting certain programs, i.e. Audyssey, Children Services. We are currently about 40% of our target. We have some pending grants out there that we have had no response yet and are researching more potential grant opportunities.

Doug reminded everyone of “*Rollin on the River*” is on October 13th.

On a final note, all action items will be addressed and acted on at the October Board meeting.

The meeting adjourned at 1:33 p.m.

Respectfully submitted,

MaryAnne Lawrie
Executive Assistant

