



BOARD OF DIRECTORS MEETING – AUGUST 26, 2018

PRESENT FROM BOARD:

Joe Warner, Steve Ammentorp, Tawny Espinoza, Marna Lake, Scott Coleman, Tom Motz, Tommy Johnson, Ben Koger, Vicki Woods, Justin Ward

EXCUSED ABSENCE(S):

Stephanie Keller, Jim Grisier

SPECIAL GUEST:

Sal Schaefer, Consultant, Floyd Ward (Parent), Judy Thornburg, Succession Committee (only for Executive Session)

PRESENT FROM STRIVE:

Sharon Jacksi, Mary Anne Lawrie, Chris Bergquist

OVERVIEW OF MEETING
Minutes from the previous meeting were approved.
An Executive Session was called and then reconvened back into the business portion of the meeting.
Sharon provided state and organizational updates.
The Board unanimously approved the Voter Referendum Resolution.
Sharon updated Board members on the asbestos assessment along with an amended agreement on the sale of 950. The Board approved the amendments to the contract for the sale.
Chris provided the current financial report which was accepted by the Board.

A quorum was achieved and the meeting was called to order at 12:04 p.m. Steve Ammentorp presided.

INTRODUCTIONS

Steve welcomed Justin as a new Board member along with Vicki on return from her leave of absence. Also welcomed was Floyd Ward, Justin's dad and Sal Schaefer. Introductions were made around the room.

MINUTES FROM 06/26/2018

The Board minutes were presented and approved.

It was M/S/P (Johnson/Coleman) to approve the Board minutes of 06/28/2018 as written.

ANNOUNCEMENTS

Sharon tendered her letter of retirement to members and expressed her appreciation and gratitude to the Board for their continued support these past 4 years.

At 12:07 p.m., it was M/S/P (Warner/Woods), to proceed into Executive Session to discuss personnel matters and an investigation.

At 12:54 p.m., the business portion of the Board meeting reconvened.

CEO REPORT

Sharon reported that Chris has developed some metrics in three key areas that declined last year and will highlight on them during his Financial Report.

An emergency poll for a resolution was conducted recently, via e-mail, to all Board members on their position in supporting Mesa County's initiative in exempting grants from the State of Colorado from the revenue cap set by TABOR. It was further noted that there were a couple of other non-profits that were also in support in this voter referendum. The outcome of the poll revealed that the majority of the members approved that STRiVE's name may be used and staff may participate in support of this initiative and ballot language being prepared by the County Commissioners.

To formalize the Resolution, board members present unanimously approved support for Mesa County's initiative on the ballot.

The Executive Committee met with Rob Jenkins to review the outcome of the asbestos assessment on 950. The report did not reveal the exact amount of the asbestos due to occupancy of the building and the extent of work that would need to be done not only to get an exact reading but also to get an estimate of cost for remediation. Rob offered two suggestions wherein the remediation could be extended over a three year period since Mr. Weckerly is not planning to do anything to the building during that time or to go ahead and get it done as soon as the building can be vacated. We would still be responsible for the expense of the abatement either way. Mr. Jenkins recommendation was the latter. Mr. Jenkins will reach out to Merritt and attempt to utilize his asbestos contractor to over see the project. With that being the case, Mr. Weckerly has increased the purchase price from \$1.05 million to \$1,100 million in addition to pledging \$96K to the capital campaign

over a three-year period. This would require a 5th Amendment to the Agreement of the sale of the 950 be approved by the Board.

It was M/S/P (Coleman/Lake) to approve the increase of the sale price of 950 from \$1.05 million to \$1,100 million and accept Mr. Weckerly's pledge of \$96K towards the capital campaign over a three-year period.

FINANCIAL REPORT

Chris provided an overview of July financials showing an operating income of over \$88K. Revenue was up from July in comparison to last year; there were major variations in pay and benefits due to the staffing shortage and a significant decrease in building costs due to fewer group homes. Contract services are running high impacting the operating expense, donations were positive for the month amounting to \$234K; leaving a net income of over \$323K.

Attention turned towards the various graphs presented:

- Revenue is showing a slight increase and over what was originally forecasted.
- Personnel expenses are down by \$200K from last year due to the fact that there were more group homes.
- Operating expenses continue to run high with extraordinary costs with the new building and contract services.
- Net income shows the month of July was pretty healthy basically due to the number of donations received.

Chris then reviewed the metric analysis for July highlighting on the following areas:

- Residency occupancy was 95.1% which is above target for the month of July.
- Case Management billing units has increased in comparison to last year. July billing units totaled 9,461 which is over the target of 8,931.
- Behavior billing units has significantly improved and should continue on this upward trend.
- Total Vocational units billed is over the targeted goal.
- Staffing is down by 30 FTE.
- Operating costs are running over projection for the month.

Balance sheet reflects a healthy month for July and much better than it has been over the past couple of months. Current ratio looks good along with an improvement of months unrestricted cash.

One member wondered the status of fundraising for the capital campaign. Sharon further added that Doug will start providing updates at the Board meeting, but current totals amount to over \$600K. We are also looking at different loan options for the building and hopefully will have something in place by next month. The Colorado Health Foundation is scheduled to come out next month to tour the building.

The table turned to June financials and how the year ended. Sharon commented that June would be discussed next month where Eide Bailey will be presenting on the outcome of the audit. Chris mentioned that it ended with a loss but more significant in operations. This was due to bad debt write offs and increase with health insurance.

It was M/S/P (Lake/Motz) to accept the July financials as presented.

The meeting adjourned at 1:33 p.m.


Secretary

30 October 2018
Date