BOARD OF DIRECTORS MEETING – MARCH 26, 2019

PRESENT FROM BOARD:
Steve Ammentorp, Joe Warner, Scott Coleman, Tom Motz, Tawny Espinoza, Stephanie Keller, Jim Grisier, Justin Ward, Marna Lake, Dave Hayden, Terry Pickens

EXCUSED ABSENCE(S):
Tommy Johnson

PRESENT FROM STRIVE:
Grant Jackson, Mary Anne Lawrie, Chris Bergquist, Doug Sorter, Adele Avolio

<table>
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<th>OVERVIEW OF MEETING</th>
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<td>Minutes from previous meeting were approved.</td>
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<td>Grant provided State and organizational updates.</td>
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<td>Financial report was presented and accepted by the Board.</td>
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<td>Doug provided updates on the capital campaign efforts.</td>
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A quorum was achieved and the meeting was called to order at 12:07 p.m. Steve Ammentorp presided.

Steve announced the Executive Committee met prior to the Board meeting to discuss a potential business opportunity that came up with Mesa County Human Services (MCHS) and the State. The opportunity is confidential and Steve provided an overview and update on the offer from MCDHS along with the Executive Committee’s position on whether to move forward on it. Due to some issues with wage and benefit disparities between the two agencies the Committee recommended, in the best interest of the organization, to continue potential negotiations with DHS and the State.

MINUTES FROM 02/26/2019
Minutes from the previous minutes were reviewed and approved.

It was M/S/P (Keller/Espinoza) to approve the minutes from 2/26/2019 as presented.

PRESIDENT/CEO UPDATES
Grant referred members to the Legislative Report. Upon review of the legislation being introduced the year, there does not appear any will have an impact on the intellectual/developmental disabilities population.
The Colorado Department Public Health & Environment (CDPHE) representatives were here to revisit the plan of corrections to address the deficiencies that were cited from that last survey in October. Their findings indicated that improvements have been made but unfortunately found some new deficiencies that we were cited on. Their report is anticipated to be out next week. In the interim, we have hired a temporary Nursing Project Manager, to assist the Nursing Department in getting back in compliance. A question arose on vacancies within the home. We currently have 5 to 6 total vacancies for the homes. Unfortunately we are unable to fill these since the State issued a moratorium on the homes with the exception of 3301. This raised concerns with some Board members and Grant is hoping this will be resolved in the near future. Grant will keep members updated if further information is received.

FINANCIAL REPORT
Chris provided an overview of February financials showing a net income of $166K including donations. Year-to-date income is running over $1.3M with donations.

Attention turned towards the various graphs presented:
- Revenue is higher than forecast. This was due to improvement with case management billing units. There has been a slight improvement with Vocational and Behavior billing efficiencies.
- Personnel expenses are slightly increasing but still under forecast.
- Operating expenses are over forecast due to building costs and various contracts. Chris is projecting we will be running at a loss for the remainder of the year.
- Net income shows an increase in comparison to last year along with what was initially forecasted.

Chris then reviewed the metric analysis for January highlighting on the following areas:
- Residency occupancy was 94.7% which is above the target for the month.
- Case Management billing units were over target by 906 units.
- Behavior billing units were under target amount.
- Total Vocational units billed were slightly above the targeted goal.
- Staffing is below the targeted goal.
- Operating costs are running over projection for the month.

Balance sheet is positive. Current ratio looks good along with an improvement of months unrestricted cash.

Chris further commented that the balance sheet will look much different next month with the sale of 950 and the purchase of 790. This will cut our cash on hand by 50%. Chris is talking with the bank to see about securing a line of credit. Grant further added that we are also considering selling 181 now that the Crisis Project has ended.

A question arose in regards to the decrease in behavior billing. Chris responded that one behavior staff is overseeing a new program, Outpatient Restoration which is paid at a flat rate which is lower than the Medicaid rate. Also to take into consideration is there is no billing for Audyssey or the Psych Clinic. As far as the residential metrics, it was suggested for Chris to further break it down and show group homes versus host homes. Chris will make this change and have it reflected at next month’s meeting.

It was M/S/P (Warner/Hayden) to accept the Financials as presented.
REPORTS
DEVELOPMENT UPDATES
Doug has expressed an interest into tapping into the dispensaries for additional fundraising efforts but would like to open this up for discussion in addition to getting the Board’s perspective on this issue. This led to a discussion in regards to the positive affect it has had on certain health issues, the potential risks of jeopardizing funding streams, other businesses that have approached this industry for funding, etc. After further deliberation it was suggested to take under consideration our mission statement and where do you draw the line. On the same lines, Grant wondered how the Board thought about CBD. There have been a few instances that have arisen, where physicians are wanting to prescribe CBD oils to some individuals in services not only in group homes but also host homes and would like for us to administer it. This led to further discussion in relation to the oil is a hemp product, legalities of the role of the CCB, potential risk of drug tests coming back positive, etc. Again, it is the recommendation of the Board to check further into the regulations along with seeking legal advice on this topic.

Doug shared a graph with members detailing the monthly amount of donations received for the past year. The chart reflects the months where the fundraising had its high points along with the low points. All in all, efforts appear to be positive. On that note, the campaign has taken on a new meaning since we are now in the building. The Foundation Board met and created a strategic plan on what their focus will be over the next five years. For the remainder of the year, the Foundation will continue to promote the campaign with an emphasis on the playground and/or any other programs, i.e. Audyssey, Children Services. There are still around 2 to 3 grants that are outstanding and we are waiting to hear their outcome. Doug then proceeded to go through different objectives of the Foundation to include development of diverse resources through various grants, continue with current events and may want to add an additional one, identify new supporters, continue networking and educating the community on the array of services and supports offered through STRiVE.

MISCELLANEOUS
Board of Directors and Foundation Board Social scheduled for Wednesday, April 3.

Positive comments were made about the security now being implemented.

A reminder of the Easter Egg Hunt scheduled for next month at the Botanical Gardens.

It was M/S/P (Keller/ Warner) to adjourn the meeting at 1:14 p.m.

[Signature]
Secretary

[Signature]
Date