BOARD OF DIRECTORS MEETING – OCTOBER 29, 2019

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

EXCUSED ABSENCE(S):
Krista Ubersox

PRESENT FROM STRIVE:
Grant Jackson, Mary Anne Lawrie, Chris Bergquist, Adele Avolio, Katherine Waterman

<table>
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<th>OVERVIEW OF MEETING</th>
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<td>The minutes from the previous meeting were approved</td>
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<td>The Financials were presented and accepted. Minimum wage increase was discussed and</td>
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<td>Revisions to Policies #4-1, Individual Rights, #4-3, Complaint Process and #9-1, Advance Medical Directives were reviewed. Policies were approved on the condition that changes recommended by the Board be incorporated into them.</td>
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<td>Adele reported on termination and recruitment efforts.</td>
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<td>Grant provided state and organizational updates.</td>
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A quorum was achieved and the meeting was called to order at 12:00 p.m. Steve Ammentorp presided. Steve welcomed Tracey and introductions were made.

MINUTES FROM 9/24/2019 MEETING
The minutes from the meeting on 9/24/2019 were reviewed and approved.

It was M/S/P (Warner/Lake) to approve the 9/24/2019 minutes as presented.

FINANCIALS
Chris provided an overview of September financials which reflects a net income of $109 with donations, ignoring donations shows a loss net income of $1872. Year-to-date net income is $131K with donations, ignoring donations shows a net income of $9,522.

Attention turned towards the various graphs presented:

- Revenue is running slightly under what was forecasted due to poor attendance in day programs due to illnesses.
- Personnel expenses are running close to forecast. Chris continues to work with staffing schedules to insure they are more in line with reality.
- Operating expenses are slightly under forecast. This category is a catchall and does not include the personnel expenses. Expenses are trending down with a decrease in legal and building expenses. We still continue to look at ways to decrease these.
• Operating income is hovering around a break even point.
• Net income is running around forecast.

Chris then reviewed the metric analysis for August highlighting the following areas:
• Total residency occupancy, inclusive of group homes and host homes, is at 95.30% which is slightly over the target goal of 93%.
• Group home residential occupancy is at 85.28% and is below the target goal of 93%.
• Case Management billing units were slightly over target.
• Behavior billing units were slightly under the target amount.
• Total vocational units billed were slightly under the target amount.
• Staffing is below the targeted goal.
• Operating costs is below the targeted goal by $39K.

Balance sheet reflects nothing too noteworthy. All ratios are down. Net assets went up due to the new building. Accounts receivables are down due to timing issues of the payments.

Departments highlighted this month are:
• 1444 Group Home – This home continues to run at a loss of around $15-$20K a month. This is tied to vacancies and the rate level of the individuals that reside at this location and we are unable to fill some of the vacant slots due to addition to moratorium that is in place. At this rate the home is on a pace to lose $100-$160K by year-end. The other issue is that we are not receiving any referrals for group home placements since the trend is leaning more towards a host home setting. The discussion then led to options of what can be done to possibly sell the property.

Chris explained the funding stipulations through HUD on this property which is also tied to the 309 property and the penalties enforced if we do not fulfill the purpose of the loan. Chris has reached out to HUD to explain the situation we are currently in and if they may reconsider the condition of the loan based on how the need of the group home model is changing. Unfortunately, they do not understand the system and Chris is still attempting to negotiate with them in addition to other alternatives to utilize the property. Grant mentioned that the State may be interested in purchasing 680 in lieu of building a new group home.

• Creative Creations is a small vocational program that generates revenue and subsidizes many of the other programs that tend to lose money.

On a side note, Joe mentioned while reading CMU’s Foundation report, he noted that STRIVE was listed as one of their donors and wondered if there was a policy or procedure in place on donating to other organization and if there was not, then one should be created outlining what is acceptable and unacceptable when making contributions to other organizations. Grant will take this advertisement.

**It was M/S/P (Grisier/ Espinoza) to accept the financials as presented.**

**MINIMUM WAGE**

Chris reported that in new payroll legislation increasing the salary threshold to $35K for exempt employee. This increase will affect 7-8 employees and will have an annual impact on the budget $36K. The larger issue is the minimum wage increase to $12/hour effective January 1. All individuals will be going to the new rate and will create a wage compression
between DSPs and the individuals in services. Chris recommends increasing the starting wage for DSPs to $13 or $14 to keep them at a fair distance from the individual’s hourly wage. The cost to implement the new pay structure would be around $200K-$400K. Chris considered with the starting wage increase we could eliminate the current shift differential to help absorb some of these costs. In addition, this would also allow us to be a little more competitive with the other local providers and also help with retention. This led to an in-depth discussion pertaining to current salary schedule, merit systems, performance evaluations, training, retention, current financial status, budget forecasts, cost of living increases, etc. After further deliberation there was no dispute for an increase in the starting wage. It was the consensus of the Board, to consider increasing the starting wage $13.50/hr. Chris will provide the Board with the financial information and its impact on the budget.

POLICIES

- **#4-1, Rights of Individuals**
  Changes consisted of additional rights added pertaining to administration of medications, monitoring mechanisms in place in reviewing and reporting MANE investigations.

- **#4-3, Grievance Complaint Process**
  This policy is to provide individuals in service, parents and/or guardians a process to voice any disputes they may have that affect the services that they are receiving. Some of the changes include changing MDS to STRIVE and removing section 2.1(c) relating to taking the dispute to a higher level if a resolution was not reached with the organization. Concern was expressed with the removal of this section and Katherine explained that this policy outlined the dispute process on internal basis. Another policy entitled “Appeal Process” provides the appropriate processes and steps to file the grievance with the State. It was suggested that if this is an internal process then it should be reflected as such in the title in addition to citing the appropriate sections of the rules and regulations that it applies to. It was also suggested the policies refer to either an individual or client and recommended that these be changed to the appropriate verbiage to be consistent with other policies.

- **#9-7, Advance Directives**
  This policy has not been updated for quite some time and was completely redone to reflect current regulations and best practices.

Concern was also expressed about the review of policies on a regular basis and a suggestion that a 2 year review should be reflected in the policies themselves.

**It was M/S/P (Grisier/Nordine) to approve the aforementioned policies inclusive of the recommended changes that were suggested.**

**REPORTS**

**HR TRENDS**

Adele reported that on turnover for the First Quarter and referred to a chart reflecting percentage of turnover for the different departments with DSPs reflecting the majority. The remaining departments experienced some loss. Adele commented the HR Department is only churning paperwork with the amount of hiring, training and terminations. We’re lucky if new recruits stayed for five months. It is hopeful that the starting wage increase will help with retention of employees. Adele then went explained the process from hiring to training and all the costs involved, followed by the various employee recognition efforts that are being made. As reflected in the monthly charts, turnover for the first quarter is 20.48%. On
the positive side, our turnover rate is under the national DSP average turnover rate. The Board expressed appreciation for the update on employee turnover.

PRESIDENT/CEO REPORT
We got off to a rocky start with Alida’s and had some unanticipated issues pertaining to internet, point of sales, health inspection, inventory and item pricing and just basically getting to know the operation of the business. We currently have 3 staff and 2 individuals working out there. There are 3 seasonal workers that will also be assisting us with production. Farmer Bob will be attending a trade show in Denver next week and hopefully will be successful.

The following are some organizational changes that have been implemented:
• The Host Home Department was moved under the Residential Department. Unfortunately, the Host Home Director was not fond of the idea and tendered her resignation. The Services Support Specialists (SSS) and Occupational Therapy Aides will also be housed within the Residential Department. The Residential Director, Khristina Kukus, is currently revamping the SSS position to prevent some of work that is currently being duplicated between some of the different positions.
• Jenni Boone moved into the Vocational Director and positively jumped into the role. Her previous positon as Program and Support Services Director will not be filled and duties will be spread out among other departments.

We are awaiting the State surveyors to come out to review all the changes and processes that have been implemented to be in compliance with the regulations. We anticipate they should be here within the next couple of weeks. We are hopeful they will finally lift the moratorium that is in place.

The State has still not provided any feedback and/or guidelines in implementing conflict-free case management.

There’s some federal legislation coming down the “pipe” and being directed by the Centers for Medicare & Medicaid and dictating how programs are run. It is referred to as the “Final Setting Rule” and is basically the next level of deinstitutionalization with no additional funding. This will have a major impact on our vocational programs wherein some of them will have to be restructured in order to provide more community inclusion for our individuals. It will also drastically impact our financial status with additional personnel expenses along with replacement and purchase of vehicles. Grant is currently working on a cost analysis to implement the program and has plans to submit to the State for consideration of additional funding.

It was M/S/P (Keller/Warner) to adjourn the meeting at 1:29 p.m.

[Signature]
Secretary

[Signature]
Date