BOARD OF DIRECTORS MEETING – FEBRUARY 23, 2021

PRESENT FROM BOARD:
Terry Pickens, Tawny Espinoza, Kevin Fitzgerald, Justin Aubert, Krista Ubersox, Dave Hayden, Steve Ammentorp, Randy Brown, Tracey Garchar, Scott Coleman, Mike Nordine, Stephanie Keller

EXCUSED ABSENCE(S):
Justin Ward, Jim Grisier

PRESENT FROM STRIVE:
Grant Jackson, Mary Anne Lawrie, Chris Bergquist, Doug Sorter, Lindsay Powers

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<th>OVERVIEW OF MEETING</th>
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<td>Minutes from the previous meeting were reviewed and approved.</td>
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<td>Grant provided State and organizational updates.</td>
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<td>Financials were presented and accepted.</td>
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<td>Lindsay reported on the potential new Sabbatical Leave Policy.</td>
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A quorum was achieved, and the meeting was called to order at 12:00 p.m.  Tawny Espinoza presided.

MINUTES FROM 1/26/2021 MEETING
The minutes from the meeting 1/26/2021 were reviewed and approved.

It was M/S/P (Aubert/Ubersox) to approve the 1/26/2021 minutes as presented.

PRESIDENT/CEO UPDATES
Just a couple of short updates.

We experienced a Covid outbreak in the two of the homes, Olson, and Kava. Olson was hit the hardest with one death and 2 hospitalizations. The State conducted a phone visit due to the death to ensure all infection control protocols and procedures were properly in place before and after the outbreak. The State was pleased with our infection control plan and we should not find any deficiencies. Kava had one case and the individual was isolated to prevent further exposure. We estimate about 22 staff tested positive and a couple of them were also hospitalized.

Most group home individuals have received their first immunization. The second dose should be administered this week and next. About 45% of the staff have received
their vaccine. We are hoping more staff will opt in to it as time goes on.

There have been no updates from the State if they will be lifting the visitor restrictions in the group homes now that individuals are being immunized. Our individuals have been isolated in the homes for close to a year now without being able to go out into the community or see family members. On occasion, staff will take them out for a drive.

One member inquired on Justin W. health status. Grant reported that he is currently staying with his dad and appears to be getting stronger day by day. Staff have been providing him a lot of support during this time and we are hopeful that he will be transitioning back to his host home provider soon.

In terms of vaccine, we are currently working with Mesa County Health Department and Ariel Clinical Services in a push to get immunizations for the I/DD community. The health department is only requesting the number of vaccines needed. In the interim staff will be contacting individual guardians to obtain the consent. STRIVE & Ariel’s staff will be handling the scheduling. Hopefully, we anticipate to complete next month.

On a positive note, we are starting to see a decline in staff absences due to COVID.

Before moving onto Financials, a question arose about some documentation included in the Board packet referring to the legislative report and the sabbatical leave policy. Grant responded that Lindsay will be discussing the policy. The one piece of legislation that is closely watched is phasing out of subminimum wage. The State was informed by the Department of Labor that federal’s subminimum wage law is not recognized within the State of Colorado and these practices would need to cease. Community Centered Boards (CCBs) have used this practice for the past 50 years. The federal government is planning to phase this out in the next five years. This legislation would coincide with the federal government but also allow CCBs to strategize on alternatives in providing vocational services and supports to the I/DD Community. The bill also addresses the financial impact on CCBs and requests additional funding for those offsets. This led to a discussion surrounding the rigorous certification process, employer incentives hiring individuals with an intellectual/developmentally disability, impact of the individuals receiving subminimum wage, etc. On the positive side, this will improve on community inclusion for our individuals. Grant further commented about the businesses that he and Doug have reached out to in utilizing our work crews to help with productions on their goods. These businesses are very interested and are very interested in hiring the crews once the pandemic is over. A question arose on what the pay differential for individuals earning subminimum wages. Chris responded the system is based on piece work which is based on a time study conducted on the tasks, average amount of time to complete the tasks and the efficiency level of the individual.

**FINANCIAL REPORT**

Chris provided an overview of January financials. Operational income reflects a $106K deficit with a negative net income of a $99K inclusive of donations. From a year-to-date perspective operating income reflects a $119K deficit, adding donations back in reflects a net income over $2 million.

Attention was turned back to the financials and review of the various graphs:

- Revenue is slightly under forecast. In comparison to last year, the graph reflects a significant decrease.
• Personnel expenses continue to run under forecast.
• Operating expenses are down due to less activity within the organization.
• Net income is running around projections.
• Actual income reflects a deficit though Chris is projecting a deficit for the remainder of the year but ending on a positive note.

Chris then reviewed the metric analysis:
• Total residential occupancy is at 94.2%. 1.2% over the target goal.
• Group home residential occupancy is under target due to hospitalizations and a death.
• There was improvement with behavior billing.
• Vocational billing is down due to program closures.
• Hourly staff continues to run under target.
• Operating costs are slightly under the target amount.

The balance sheet shows significant changes with cash from the County allocation and recognition of funding from the CARES Act. Accounts receivable is down due to timing issues. Current ratio is 4.31; debt to equity is .33; and months restricted cash is 5.60.

One member requested an update on refinancing. Chris reminded the Board that the current loan requires a $400K curtailment payment over the next 5 years. In order to preserve cash, Chris reached out to the bank to see about refinancing. After negotiations, he was able to secure a loan which will have an annual savings over $300K. The paperwork has been submitted and we are waiting to hear their decision.

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

**POLICY**

**POTENTIAL NEW POLICY – SABBATICAL LEAVE**

Lindsay and Grant have had a quite a few conversations regarding potentially implementing a sabbatical leave policy. Lindsay reached out to Hilltop to gain insight on how the process works and implementation of the policy. This gesture will acknowledge employees who are committed to our organization in addition to providing them time off to focus on themselves. Basically, eligible employees in “good standing”, who have been here for 10 years, will be given one month off with pay. The employee would need to give appropriate notification of 90 days in order that finding and training the appropriate person to temporarily fill the position until the employee returns. We are hoping this will also address some of the issues we have regarding retention.

There are a few things to consider especially with the employees that have been here over 20 years. Lindsay still is working out details to address this. Chris and Lindsay worked on financial impact this may have on the budget. Consideration needs to be given in comparing salary and hourly employees. There would be no change to the budget with salaried since that is a fixed rate. The impact would be with hourly employees since their pay wages are different. Chris estimates it would impact the budget between $20K-$60K. This topic was up for further discussion and feedback. There were some positive comments made in relation the benefits of cross-training staff so there is no lag time in an organization’s operation and there were some that were opposed to the idea. This led to a much deeper discussion and opinions on this policy surrounding pros and cons, current benefit package, image of a non-profit with lucrative benefit package, turnover rate in this field, only offer benefit to hourly employees, etc. After further deliberation, a board
member commented that she understands that issues are brought before the Board and Executive Committee that impact the budget and policy and need to understand what the total benefit package consists of to have a better insight on the direction the company is going and how it affects the bottom line. The Board members concurred with this and requested that this item be tabled until members have had a chance to review and discuss the current rewards. Lindsay will present the total reward package at next month’s meeting.

One last thing, Grant informed members about a complaint that was filed by a parent back in 2019 that was never addressed until recently. Since time got away from us at this meeting, he would like to address it at next month’s meeting for further discussion. The complaint was filed with the former Case Management Director and addressed concerns with the department and systematical issues. Though the department issues have been resolved the parent requested that her complaint be addressed with the Board. Grant will update the Board on the status of the complaint at next month’s meeting.

It was M/S/P (Coleman/Fitzgerald) to adjourn the meeting at 1:21 p.m.

Minutes approved on 3/30/21 – Not Signed due to COVID