BOARD OF DIRECTORS MEETING MINUTES – AUGUST 31, 2021

PRESENT FROM BOARD:
Tawny Espinoza, Dave Hayden, Randy Brown, Mike Nordine, Tamara Krizman, Justin Aubert, Stephanie Keller, Steve Ammentorp, Kevin Fitzgerald

EXCUSED ABSENCE(S):
Jim Grisier, Terry Pickens, Krista Ubersox

SPECIAL GUEST(S)
Mike Luedtke

PRESENT FROM STRIVE:
Grant Jackson, Mary Anne Lawrie, Chris Bergquist

OVERVIEW OF MEETING

Minutes were presented and approved.
The Financials were reviewed and approved.
Amended By-Laws were reviewed and approved.
Business portion of meeting adjourned and proceeded into Executive Session

A quorum was achieved at 12:08 p.m. Tawny Espinoza presided.

MINUTES FROM 06/29/2021.
Minutes were presented and approved.

It was M/S/P (Ammentorp/Fitzgerald) to approve the minutes from 6/29/2021.
The President/CEO Report will be presented in Executive Session.

FINANCIAL REPORT
Chris reviewed the July financial report. Operational income reflects a deficit of $55K. Adding donations back in reflects a net income loss of $49K. The year-to-date financials reflect the same amount.

Attention was turned to the financials and review of the various graphs:
- Revenue is a bit less than where we would have expected. Chris referred to the bar graph which reflects $200K less revenue than the previous year.
- There is nothing too noteworthy with Personnel expenses and are slightly under forecast due to the staffing shortages and the exuberant overtime being paid out. In comparison to last year, we are running $200K lower.
- Operating expenses are where we expected them to be.
- Operating and net income are very concerning. As previously reported July reflects a deficit. Looking forward at the expectation for the year reflects a significant loss
of monies in both areas. There is an exception in December where funding is recognized from the allocation received from the County is break even for the month. Right now, we are projected to run about $1-2 million deficit by year-end.

Chris then reviewed the metric analysis:

- Total residential occupancy is slightly under target.
- Group home residential occupancy continues to be an issue with vacancies.
- We are still unable to bill for Behavior. We continue with efforts in trying to recruit a BCBA.
- Vocational billing was slightly above target
- Hourly staff continues to run under target due to shortage. Grant will talk further on this subject during his report. We currently have 22 FTE positions opened which does not include a couple of resignations that were recently received.
- Operating costs are slightly under the target amount.

Attention turned to the account receivables item on the balance sheet. This section reflects a $1 million increase. Chris reported that he acknowledged the Employee Retention Credit, (ERC) that we applied for and have not yet received payment. Other than the that, there’s nothing noteworthy to report.

**It was M/S/P (Nordine/Ammentorp) to approve the July Financial Report as presented.**

Chris turned the discussion to the solar panels and reminded Board members that the panels that were removed from 950 when moved to 790 and are currently being stored behind Olson. Since the panels are not generating solar at this time, we are paying $1800 per month as a maintenance amount on the energy they should be generating. In the interim, Doug has contacted quite a few local entities to see if there would be an interest in purchasing them. He did have a couple of interested prospects, but they did not work out. Atlasta Solar has also been assisting us with trying to find an interested buyer. They have offered to purchase the panels for $18K. Chris further explained the terms of the solar agreement. We have 10 more years left on the agreement until we own the panels outright. There is a buyout option which is estimated to be $150K. Chris would like to pursue the buyout option with Clear Energy and then sell the panels to Atlasta. This led to a discussion pertaining to further details of the contract, other nationwide opportunities to sell the panels, the age of the system, etc. After further consensus, it was determined to formalize this transaction with a motion since it would be considered an asset liquidation.

**It was Motioned (Nordine) to approve pursuing the buyout of the solar panels and research other national firms to see if there is an interest in purchasing them.**

One member suggested the motion should also include that STRiVE has exhausted all other options prior to authorizing moving forward with the sell of the panels to Atlasta. Motion is amended to read as follows:

**Motion was Seconded (Ammentorp) to approve pursuing the buyout of the solar panels, research other national firms to see if there is an interest in purchasing them and STRiVE has exhausted all other options prior to authorizing moving forward with the sell to Atlasta.**
Prior to the motion be passed, a member wondered if we had a description and the specifications of the equipment to be able to share with the various entities. In addition, has STRIVE considered negotiating with the manufacturer and having them buy back the equipment. The same member requested for Chris to forward the description and specifications. He would like to send this information to a friend in Denver that used to sell solar panels and see if he might be able to assist in locating a buyer. Chris will gather the information and forward it on. The motion has been seconded and now is ready to be passed. A recap of the motion is as follows:

“MOTION TO APPROVE PURSUING THE BUYOUT OF THE SOLAR PANELS, RESEARCH OTHER NATIONAL FIRMS TO SEE IF THERE IS AN INTEREST IN PURCHASING THEM, NEGOTIATE WITH MANUFACTURER ON BUYING BACK THE PANELS, AND STRIVE HAS EXHAUSTED ALL OTHER OPTIONS PRIOR TO AUTHORIZING MOVING FORWARD WITH THE SALE TO ATLASTA.”

Motion Passed by all Board members that were present.

AMENDED BY-LAWS
The Executive Committee met with legal counsel to review the by-laws and address some concerns in relation to the nomination process, renewal of board members term after it had expired, term limits in general and the role of the nominating committee. Legal counsel further stated the primary objective of the Executive Committee was to clearly define the nominating committee’s role along with processes followed when re-electing an existing director and/or electing a new member in addition to quantifying the number of committee members. Term limits were further defined in addition to allowing directors to serve beyond the 3-year 3 consecutive year period. It was suggested to have MaryAnne forward a “clean” copy to members.

It was M/S/P (Fitzgerald/Aubert) to approve the Amended By-Laws.

At 12:39, it was M/S/P (Nordine/Fitzgerald) to adjourn the business portion of the meeting and proceed into Executive Session to discuss personnel issues.

At 1:16 p.m., it was M/S/P (Ammentorp/Aubert) to reconvene the business portion of the meeting.

Since no action can be taken during an Executive Session, Tawny requested a motion to approve Grant’s request in raising the hourly wage to $14/hour. Prior to further action, Chris suggested to identify the effective date and recommended it could either be yesterday or next pay period. It was the consensus of the Board for Chris to make that decision.

It was M/S/P (Ammentorp/Aubert) to increase the hourly wage to $14/hour effective 8/30/2021.

It was M/S/P (Nordine/Aubert) to adjourn the meeting at 1:19 p.m.