

DEVELOPMENTAL PATHWAYS, INC.
Board of Directors Meeting Minutes
Tuesday, November 13, 2018

Members Present:

Tim Batz, Kristin Hoover, Commissioner Diane Holbert, Beth Klein, Dr. Michaela McDonnell, Tim Moore, Lynn Myers, Monique Peyton, Mayre Lynn Schmit, Commissioner Nancy Sharpe, JoAnne Zboyan

Members Absent:

Excused: Chris Becze, Adam Horney

Others Present:

Melanie Worley, Matt VanAuken, Lloyd Sweet, Ed Bowditch, Deidra Tjerandsen, Tim Vincent and Board Nominee, Lois Vaughan

The meeting of the Developmental Pathways, Inc. Board of Directors was called to order by the Board President, Mr. Batz at 6:15 p.m. A quorum was established by Board Secretary, Ms. Schmit.

Conflict of Interest

None.

Public Comment

None.

Consent Agenda

a. Approval of Regular Board Minutes – September 25, 2018

MOTION: Ms. Schmit moved for the approval of Consent Agenda items as presented, the motion was seconded by Ms. Myers. It was approved by unanimous voice vote. Mr. Moore, Commissioner Holbert, and Mr. Becze abstained as they were absent.

Executive Committee – Mr. Batz

Mr. Batz announced that Ms. Lois Vaughan, Board Nominee, was present this evening and would be formally introduced later in the agenda.

Legislative Update – Mr. Bowditch

Mr. Bowditch introduced himself to Ms. Vaughan and then proceeded to his report.

The November 6 elections have reset Colorado's political landscape. For the first time since 1936, Democrats won all four State Offices: Governor, Attorney General, Secretary of State, and State Treasurer. Democrats also defeated long-time Congressman Mike Coffman. The Democrats gained 5 seats in the House for a likely 41-24 majority and gained 3 seats in the Senate for a 19-16 majority. In the Developmental Pathways service area, Rep-elect Mark Baisley will replace Rep. Polly Lawrence, Rep-elect Tom Sullivan will replace Rep. Cole Wist; and Rep-elect Emily Sirota succeeds Rep. Paul Rosenthal.

The new Joint Budget Committee will consist of Rep. Daneya Esgar, (D), Pueblo; Rep. Chris Hansen, (D), Denver; Rep. Bob Rankin, (R), Garfield, Moffat, and Rio Blanco Counties; Senator Dominick Moreno (D), Adams County; Senator Rachel Zenzinger (D), Jefferson County; Senator-elect Dennis Hisey, (R), El Paso, Fremont, Park, Teller, Clear Creek Counties. Additional Committee assignments (chairs and members) will be made later this month. Statewide Ballot Measures: The three fiscal measures – Amendment 73 for K-12 Funding, and Initiatives 109 and 110 for transportation all failed.

On November 1, Governor Hickenlooper submitted his budget request for FY 2019-20. This request contained the following items:

- Annualization for the additional positions included in HB 18-1407.
- A 0.75 percent across the board rate increase.

- A targeted rate increase of 8.11 percent for personal care and homemaker services, but this is funded through a rate reduction for anesthesiologists.
- The Department also requested \$1.56 million to ensure the continuation of federally mandated projects, increase oversight of host homes, and bring the State into compliance with federally mandated conflict free case management.
- The Governor’s Office has requested NO inflationary increase for the EI program.
- This budget request can be modified by Governor-elect Polis.

Upcoming:

- The legislative Joint Budget Committee will begin its FY 2019-20 budget review process on Thursday, November 15th.
- The legislature will receive the next quarterly revenue update on December 20.
- The legislature will convene on January 4, 2019 and adjourn on May 3.

Finance Committee – Mr. Batz, Ms. Klein, and Mr. Sweet

The September 2018 YTD financials were reviewed. Below is a summary of the Developmental Pathways Consolidated September 2018 Financials:

Balance Sheet:

Assets	\$38,457,103
Liabilities	\$ 6,414,385
Fund Balance	\$32,042,718

Statement of Operations:

	Actual	Budgeted
Revenues	\$ 10,875,035	\$ 10,700,796
Expenses	(\$ 10,374,629)	(\$11,189,096)
Excess of Revenues Over Expenses	\$ 500,406	(\$ 488,300)

In accordance with SB16-38, we are required to review and approve financial statements at least quarterly. With that said, we will not present financials at every Board meeting, but rather on a quarterly basis. Financial reports are posted on the Board portal approximately 1-week prior to Board meetings. Ms. Klein provided a brief overview of the September 2018 YTD Financials.

Mr. Batz asked for a motion to approve the September 2018 YTD financials.

MOTION: Commissioner Sharpe moved for the approval of the September 2018 YTD financials; the motion was seconded by Ms. Klein. It was approved by unanimous voice vote.

Nominating Committee – Ms. Schmit

Ms. Schmit advised that no Board members are up for renewal at this time. Ms. Schmit introduced Ms. Lois Vaughan, Board Nominee, and asked that Ms. Vaughan give some background on herself to the Board. Ms. Vaughan indicated that she has 25 years in education, specializing in special education literacy and reading intervention. Ms. Vaughan believes in advocacy and would like to do her part to give back and be a part of Developmental Pathways. Prior to this evening’s Board meeting, Ms. Vaughan previously met with the Nominating Committee: Ms. Schmit, Ms. Myers, Ms. Zboyan and Ms. Worley.

Mr. Batz asked everyone in the room to introduce themselves and provide brief backgrounds for Ms. Vaughan.

Mr. Batz asked for a motion to approve the nomination of Ms. Lois Vaughan to the Developmental Pathways Board of Directors.

MOTION: Ms. Schmit moved to approve the nomination of Ms. Lois Vaughan to the Developmental Pathways Board of Directors; the motion was seconded by Ms. Myers. It was approved by unanimous voice vote.

Ms. Zboyan spoke briefly about another Board Nominee, Mr. Daniel Sampson. Mr. Sampson will be formally introduced at the December 11, 2018 Board Meeting and has previously met with the Nominating Committee: Ms. Schmit, Ms. Myers, Ms. Zboyan, and Ms. Worley.

Mr. VanAuken indicated that he will be assisting with the new Board onboarding and has invited Mr. Daniel Harcey, Human Resources Director of Learning & Development to attend the December meeting to speak a little about the process.

Development Committee – Ms. Worley

- Ms. Worley reported the following: from July 1-November 12, 2018, there were 202 gifts totaling \$180,519.37.
 - \$50,000 from Galena Foundation
 - \$82,998 Grant from Energy Outreach CO NEEP for Inverness Lighting Retrofit
 - SUNRaiser Breakfast received 106 gifts totaling \$23,012. 60% of those gifts were from first time SUN donors.

Upcoming events include:

Colorado Gives Day: December 4, 2018

Lloyd Sweet Retirement Party: December 6, 2018

Employee Donors and Volunteers Thank You Reception: December 10, 2018

Shining Starts Gala: May 3, 2019 at the Highlands Ranch Mansion (Seeking Host Committee Members and Sponsorships)

New Business

CFO Report – Mr. Sweet

Mr. Sweet provided the following updates:

- The Jewell project is scheduled to be complete mid to late March 2019. Demolition has been completed and the construction phase has begun.
- HUD approved the HUD Sponsor from DP to Continuum of Colorado where all the houses reside effective July 1, 2018. The HUD entities will be retroactively consolidated under the Continuum financials and will no longer be consolidated or reviewed under DP.
- Improvements to the second Youth Housing residence (Grandview) have been completed. Grandview will open as a youth housing alternative residence, for female children, as soon as the required state license has been approved. This home will be sold from Continuum of Colorado to Youth Housing Colorado, a 100% owned entity of Developmental Pathways.

Continuum is going to be selling the Grandview Group Home to Youth Housing Colorado, an entity under Developmental Pathways. This sale will be at the market value of the house (\$550K neighborhood). Mr. Sweet would like to make this transaction in November 2018. Mr. Sweet expressed to the Board a motion would be necessary this evening to proceed with this transaction.

Mr. Batz asked for a motion to approve the purchase of the Grandview Youth Housing Residence located at 12943 N. 3rd Street, Parker, CO 80134 from Continuum of Colorado, Inc. to Youth Housing Colorado, Inc. and to authorize Mr. Sweet, CFO of Developmental Pathways, to handle the transaction.

MOTION: Mr. Moore moved to approve the purchase of the Grandview Youth Housing Residence located at 12943 N. 3rd Street, Parker, CO 80134 from Continuum of Colorado, Inc. to Youth Housing Colorado, Inc. and to authorize Mr. Sweet, CFO of Developmental Pathways, to handle the transaction; the motion was seconded by Commissioner Holbert. It was approved by unanimous voice vote.

CEO Report – Ms. Worley

- Ms. Worley spoke about the recent success of the Halloween party hosted by Developmental Pathways. Commissioner Holbert commented that it was incredibly rewarding to be a part of the experience.
- Ms. Worley provided a brief status update of the current audit being conducted by the State Auditor's Office. We have received and reviewed a draft audit report and have sent our responses to the audit findings. We will appear in front of the Legislative Audit Committee on December 3, 2018 to discuss the audit findings. All 20 Colorado CCB's are required to be present. This audit was predicated by SB-38, all Colorado Community Boards (CCBs) are required to be audited. The purpose of this audit is to develop standard operating procedures for all CCB's, but all CCB's are not alike. The final audit report should become available the week of December 26; the report will be posted to the Board Portal once it is received. Ms. Worley advised the Board to check the Board Portal to review additional audit related information; Ms. Worley will continue to keep the Board updated.

Mr. VanAuken, COO, handed out a one-page infographic provided by Case Management showing new DD Enrollments under HB-1407 and provided a brief update. This infographic may be found on the Board Portal.

The December 11, 2018 Board meeting will begin at 5:30 p.m. versus 6:00 p.m.

Adjournment:

There being no further business to come before the Board, the meeting was adjourned at 7:36 p.m. Adjournment motioned by Commissioner Sharpe and seconded by Commissioner Holbert. Approved unanimously.