**DEVELOPMENTAL PATHWAYS, INC.**

**Board of Directors Meeting Minutes**

**Tuesday, January 22, 2019**

**Members Present:**

Tim Batz, Kristin Hoover, Beth Klein, Dr. Michaela McDonnell, Tim Moore, Commissioner Nancy Sharpe, JoAnne Zboyan, Mayre Lynn Schmit, Monique Peyton, Commissioner Abe Laydon, Daniel Sampson, Lynn Myers

**Members Absent:**

Excused: Adam Horney, Lois Vaughn

**Others Present:**

Melanie Worley, Matt VanAuken, Ed Bowditch, Tim Vincent, Bob Ward, Diane Holbert, Selina Griggs, Gillian Kennedy

The meeting of the Developmental Pathways, Inc. Board of Directors was called to order by the Board President, Mr. Batz at 6:06 p.m. A quorum was established by Ms. Schmit.

**Guests:**

**Conflict of Interest**

None.

**Public Comment**

None.

**Consent Agenda**

1. **Approval of Regular Board Minutes – December 11, 2018**

**MOTION:**

**Ms. Schmit moved for the approval of Consent Agenda items as presented, the motion was seconded by Commissioner Sharpe. It was approved by unanimous voice vote.**

**Executive Committee** – Mr. Batz

**Welcome New Douglas County Commissioner Abe Laydon to the Board – Mr. Batz**

Mr. Batz welcomed Douglas County Commissioner Abe Laydon. Commissioner Laydon is Douglas Counties newly appointed representative for Developmental Pathways. Mr. Batz asked Commissioner Laydon to say a few words.

Commissioner Laydon commented that it was an honor to be here and that he was humbled to be in the presence of such great public servants that have dedicated their lives to individuals in the community. He is excited to collaborate with us and thanked us for all we do.

**Legislative Update** – Mr. Bowditch

Mr. Bowditch stated that the 2019 session started on January 4th and that we have had about 200 bills introduced so far. There are not a lot of bill that are affecting Developmental Pathways currently. The JBC is comprised of six members, three house and three senate. They spend a lot of time crafting the state budget. Mr. Bowditch listed the members in his report for reference. In the last week there has been one change to the committee. Senator Bob Rankin will make his move from being a House Member to being in the Senate on January 23rd. When he moves from the House to the Senate there will be a House vacancy in the Budget Committee. Representative Kim Ransom will be filling the vacancy.

Mr. Bowditch informed everyone that the Budget Committee started today with the initial figure setting for next year, beginning July 1, 2019. The first item of discussion was provider rates. The Budget Committee has settled on a preliminary 1% increase for next year. Inflation is forecast at 2.7% and Representative Hansen stated that anything below that would be a cut. The Joint Budget Committee will be discussing the Early Intervention supplemental tomorrow and that will be of great interest to Developmental Pathways. The Department of Human Services have not put in an inflationary increase for several years. This creates and short fall projection in the middle of the year. Ms. Worley informed the Board that that over the past four years we have seen an increase in enrollment of 9% a year in Early Intervention. Mr. VanAuken stated that Early Intervention is not funded appropriately throughout the state and the $1.5 Million Dollar supplemental needs to be more likely a $3.5 Million Dollar supplemental that is needed. We are now working with a task force alongside Mr. Mann, the new JBC analyst. Mr. VanAuken went on to say that all CCB’s are Early Intervention providers. About 2/3 of the CCBs have shrinking numbers because they are either landlocked or have not had any growth. Developmental Pathways serves not only Arapahoe and Douglas County, but also the city of Aurora. These areas are growing so rapidly that we are trending about a 6% growth this year.

Mr. Bowditch mentioned Governor Polis’ announcement on prioritizing free full day kindergarten. He stated that most Douglas County schools currently charge $300.00 a month for full day kindergarten. Under Governor Polis’ plan all districts will be compensated if they offer free full day kindergarten. Depending on the district, the school or the parents will see benefits of this. The state currently spends about 40% of its budget on K-12. The Governor feels that local tax revenues are enough to cover this cost.

Mr. Bowditch went on to say that Governor Polis is retaining the Director of Health Care Policy and Financing, Ms. Bimestefer, who was appointed in January 2018. A Director for the Department of Human Services has not been announced yet.

**Board Retreat Topics** – Mr. Batz

Mr. Batz reminded everyone that the Board Retreat is coming up on February 22, 2019 and that the draft agenda is posted on the Board Portal for review. He asked that if anyone would like to see an item added to the agenda to please contact Ms. Worley or himself.

**Executive Director Evaluation** – Mr. Batz

Mr. Batz notified the Board that the Executive Director evaluation will be presented at the retreat by Ms. McCracken. Mr. Batz and Dr. Pitts, the President of the Continuum/NMSC Board, have been in communication regarding the evaluation. The Boards are responsible for examining the evaluation and compensation for the Executive Director. Ms. McCracken will provide an in-depth presentation on the results of the Executive Director’s performance to assist the Boards in being better informed. Mr. VanAuken reminded the Board that the retreat would be starting earlier this year as Ms. McCracken will be providing the Executive Director Evaluation from 8:00-9:00 a.m.

**Finance Committee** – Ms. Klein

Ms. Griggs sent an email to the Board regarding the 990 procedures. The tax accountants will be preparing the 990’s, which will then be reviewed by Ms. Anderson and Ms. Flores. Once completed they will send the 990’s to the Finance Committee for approval. The 990’s will also be posted to the Board Portal for review.

Ms. Klein commented that Developmental Pathways has seen a decrease in income. This is normal for this time of year and we should see an increase around March when the Mill Levy support comes in. There are some unrealized losses in our investments. Ms. Klein asked that we keep in mind that these are long-term investments. However, revenue is tracking on budget. Expenses are under budget but should track closer to budget as we move through the year.

SUN financials are showing a similar unrealized loss. There were no grants that came in as projected and there was a shift in timing of Developmental Pathways contributions to SUN. No concerns to report.

Mr. Batz explained to the Board that the Finance Committee was asked two years ago how comfortable they were with Developmental Pathways risk on investments and that the committee stated they are comfortable investing at the conservative level. Mr. Batz recommend we evaluate where we are again in the next fiscal year.

Ms. Klein informed the Board that they are looking for new members to join the Finance Committee team. They are looking for two to three more people. She asked that Board members consider joining. This will be talked about more at the retreat in February.

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

**Balance Sheet:**

Assets $28,366,271

Liabilities $2,248,835

Fund Balance $26,117,436

**Statement of Operations**

 Actual Budgeted

Revenues $20,393,520 $21,361,004

Expenses (21,135,006) (22,205,717)

Excess of Revenues Over Expenses $(741,486) $(844,713)

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 December 2018 YTD Financials.

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

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

**Nominating Committee** – Ms. Schmit

**Chris Becze Resignation**

Mr. Batz informed the Board that he spoke with Mr. Becze in December and Mr. Becze gave verbal notification over the phone of his resignation from the Developmental Pathways Board. Mr. Batz requested that Mr. Becze submit a written statement of resignation. At this time, a written statement has not been received. Upon further discussion the Board excepted Mr. Becze’s verbal resignation. Ms. Schmit thanked Mr. Becze for his many years of service with the Board.

Mr. Batz asked of a motion to approve the resignation of Mr. Becze from the Developmental Pathways Board of Directors.

**MOTION: Ms. Myers moved to approve the resignation of Mr. Chris Becze from the Developmental Pathways Board of Directors; the motion was seconded by Ms. Schmit. It was approved by unanimous voice vote.**

**Beth Klein - 2nd Term Ending 01/19 (Term 3)**

Ms. Schmit notified the Board that Ms. Klein’s second term ends in January and nominated her for a third term. Ms. Schmit gave a brief background on Ms. Klein and her many years of service. She has dedicated her talents to the Finance Committee for the last six years.

Mr. Batz asked for a motion to approve the nomination of Ms. Beth Klein for a third term on the Developmental Pathways Board of Directors.

**MOTION: Ms. Schmit moved to approve Ms. Beth Klein for a third term on the Developmental Pathways Board of Directors; the motion was seconded by Mr. Moore. It was approved by unanimous voice vote.**

**Welcome Diane Holbert, Board Nominee**

Ms. Schmit welcomed Ms. Holbert and reminded the Board that Ms. Holbert served previously on the Board as a Douglas County Commissioner. Ms. Schmit informed the Board that Ms. Holbert has offered her services to the Board as an official nominee. Ms. Schmit gave a brief background of Ms. Holbert. She talked about her experience in finance, treasury, public policy and legislative relations and how they will be an asset to the Developmental Pathways Board of Directors. Ms. Schmit asked Mr. Batz for a motion to nominate Ms. Holbert to the Developmental Pathways Board of Directors.

Mr. Batz notified the Board that they first must motion for the resignation of Ms. Holbert as the Douglas County Commissioner from the Board.

Mr. Batz asked for a motion to approve the former Commissioner Diane Holbert’s resignation from the Developmental Pathways Board of Directors.

**MOTION: Ms. Schmit moved to approve the resignation of Diane Holbert from the Developmental Pathways Board of Directors as a Douglas County Commissioner; the motion was seconded by Mr. Moore. It was approved by unanimous voice vote.**

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

**MOTION: Ms. Schmit moved to approve the nomination of Ms. Diane Holbert to the Developmental Pathways Board of Directors; the motion was seconded by Commissioner Sharpe. It was approved by unanimous voice vote.**

Mr. Batz asked for a motion to approve the nomination of Commissioner Abe Laydon as a member of the Developmental Pathways Board of Directors.

**MOTION: Mr. Moore moved to approve the nomination of Commissioner Abe Laydon as a member of the Developmental Pathways Board of Directors; the motion was seconded by Ms. Schmit. It was approved by unanimous voice vote.**

**Development Committee** – Ms. Worley

Ms. Worley asked each Board member to introduce themselves to Commissioner Laydon.

Ms. Worley reported that there were 236 gifts received totaling $297,248 from July 1, 2018 to January 22, 2019. A grant was also received from Douglas County for $15,000. This Grant will be used to do a Senior Study in Highlands Ranch.

Upcoming Events: Shining Star Gala – May 3, 2019 (Highlands Ranch Mansion)

- Seeking Host Committee Members and Sponsorships

Ms. Kennedy gave an update on the progress of the Gala and how everything was on track.

**New Business**

**COO Report** – Mr. VanAuken

Mr. VanAuken reported on the Client Satisfaction Survey for 2018. Mr. Ward and the Quality Assurance team put this survey together. 91% of the respondents were very or mostly satisfied with the services of their case manager. 90% of the respondents were very or mostly satisfied with their case manager’s ability to connect them to the resources, benefits, and services they need. 87% of the respondents reported that their case manager discussed how available services can help individuals lead satisfying and meaningful lives. 92% of the respondents reported that their case manager listened to and valued their input. He stated that Developmental Pathways uses the survey to see where areas of improvement may be needed. Please refer to the survey posted to the Board Portal for further review.

Mr. VanAuken informed the Board that Ms. Lichti or Mr. Ward will be attending Board meetings going forward to assist in answering questions from the Board and public regarding Case Management or Early Intervention.

Ms. Zboyan asked if there is a way the Board can see the entire survey and if recommendations or feedback are given? Mr. Ward stated that there are always recommendations that come in. Case Management follows up and adjusts as needed. Mr. Ward suggested that two times a year case management provides an update to the Board regarding these topics so that they can better understand and provide the proper responses to the public. Mr. Batz also reminded the Board that all Board members have a Developmental Pathways email and Board members may receive emails from the public.

Mr. VanAuken explained his COO Report to the Board, now that Mr. Sweet, our former CFO has retired. His report will include Finance, People Strategies, Facilities and In-House Counsel updates. Please let Mr. VanAuken know if you have any feedback on the format of his report.

Finance Update: Eide Bailly has begun testing for the Agreed Upon Procedures (AUP) for the Mill Levy dollars we receive from Arapahoe and Douglas counties. This is done every two years at the request of our County Commissioners. By mill levy contract we are asked to provide a formal written report on how the mill levy dollars are spent. Past mill levy reports are available for viewing on the website. Mr. VanAuken also discussed how the finance and billing team has begun a process of assessing systems, processes and reporting based on feedback given by Eide Bailly’s audit report.

People Strategies Update: Annualized turnover through November 2018 is 27.86%. The economy has made it difficult to hire. Developmental Pathways has been working on creative approaches and evaluating our compensation plan. Departments are looking at adjusting responsibilities in Case Management. The next 3-year strategic plan will begin in July for all companies, all departments. Updates on this will be given to the Board at the retreat in February. We will be asking the Board to help us with key values and mission. A Semi -Annual succession planning tool has been launched in Early Intervention due to the retirement of Kent Dyson, Developmental Pathways former Early Intervention Director.

Facilities Update: The Jewell building remodel is 65% complete and on schedule to complete by March 28, 2019. Mr. VanAuken reminded the Board that both Continuum and Developmental Pathways will be housed in the new building.

Mr. VanAuken notified the Board of personnel changes that affect Developmental Pathways. With those changes there is an estimated cost reduction of $500,000 that will directly be passed on to Developmental Pathways and Continuum of Colorado.

**CEO Report** – Ms. Worley

Ms. Worley reminded everyone of the Boards transparency policy. Guide Star oversees nonprofits and Developmental Pathways has Gold Star status, which is due to our efforts in being transparent.

Ms. Worley discussed how she and Mr. Bowditch have been meeting with new Representatives and Senators. The have recently met with Representative Sullivan and Sirota. This is Developmental Pathways opportunity to introduce ourselves and explain not only what we do, but what we do differently. We provide them with pamphlets on our company and an acronym book.

Ms. Worley attended the Colorado Cooperation Conference in December and Governor Polis was a guest speaker. Ms. Worley was able to have some one on one time with him to inform him about Developmental Pathways and the services we offer. She also had the opportunity to tell him that we belong to a statewide organization with the other CCBs of Colorado.

Ms. Worley, Mr. Ward and Ms. Coates have also made it a priority to meet with the Superintendents and leaders in the Special Education departments within the school districts that Developmental Pathways support. So far, they have met with Douglas County and Littleton School Districts. Ms. Hoover followed that up by reminding the Board about Governor Polis’ push for full day Kindergarten. “What is the cost to the individuals we serve? What is the investment return on this?” Ms. Hoover stated that the Board has an opportunity to represent the IDD community regarding this matter.

Ms. Worley has served two years on the Respite Care Task Force Advisory Committee. The committee met this week and are putting together a study on the best way to provide respite care. Developmental Pathways contributed to the study due to how large our catchment area is and how many people we serve. Ms. Worley informed the Board that an individual can select any CCB they choose, and they are choosing Developmental Pathways.

**Adjournment:**

There being no further business to come before the Board, the meeting was adjourned at 7:50 p.m. Adjournment motioned by Ms. Klein and seconded by Mr. Moore. Approved unanimously.