

DEVELOPMENTAL PATHWAYS, INC.
Board of Directors Virtual Meeting Minutes
Tuesday, September 15, 2020

Members Present: Lois Vaughan, Diane Holbert, Monique Peyton, Judge Don Toussaint, Mayre Lynn Schmit, Tim Batz, Beth Klein, Dr. Michaela McDonnell, Commissioner Abe Laydon, Kristin Hoover, JoAnne Zboyan

Members Absent: Commissioner Nancy Sharpe, Adam Horney, Lynn Myers, Daniel Sampson

Others Present: Matt VanAuken, Ed Bowditch, Bob Ward, Selina Griggs, Cindy Lichti, Karen Flores, Erica Kitzman, Casey Garcia, Tim Vincent, Brenda Poage, Darcy Tibbles, Marilyn, Udeen, Dinah Frey, David Schmit, Johnathan Sims, Kim Tenure, Daniel Harcey

The meeting of the Developmental Pathways, Inc. Board of Directors was called to order by the Board President, Ms. Hoover, at 5:04 p.m. Ms. Schmit established a quorum.

Guests: None

Conflict of Interest

None.

Public Comment

None.

Consent Agenda

Approval of Regular Board Minutes – June 23, 2020

MOTION: Ms. Holbert moved for the approval of Consent Agenda items as presented; Ms. Schmit seconded the motion. A unanimous voice vote approved the motion.

MOTION: Ms. Schmit moved for the approval to pause the Developmental Pathways Board Meeting at 5:06 p.m.; Ms. Peyton seconded the motion. It was approved by a unanimous voice vote.

The meeting of the Developmental Pathways Board of Directors was called back to order by the Board President, Ms. Hoovers. 5:08 p.m.

Executive Committee – Ms. Vaughan

Housing Initiative – Ms. Tibbles

Ms. Tibbles, Senior Director of Community Engagement, introduced Marilyn Udeen, Program Manager of Community Engagement, David Schmit, a founding member of the Inclusive Housing Coalition, and Jonathan Sims, also a founding member of the Inclusive Housing Coalition.

Ms. Udeen gave a brief introduction to the Inclusive Housing Coalition. In 2018, parents, along with several local provider agencies, came together to discuss housing needs. Developmental Pathways was invited to participate, and after several meetings, they formed the Housing Exploration Committee. Developmental Pathways designated housing initiative funds in 2019. Desiree Kameka, Director of the Autism Housing Network for the Madison House Autism Foundation, was commissioned by Developmental Pathways to facilitate an Empowering Communities Initiative, which included providing training, a needs assessment survey, analysis, and recommendation. Once the Housing Exploration Committee received the report from Ms. Kameka, they decided to become the Inclusive Housing Coalition (IHC), focusing on education, healthy living options, housing, and outreach. The Inclusive Housing Coalition currently has 25 members and continues to grow each month. Ms. Udeen stated that the Housing and Community Report and other documents could be found on the Board Portal for reference.

Mr. Schmit continued the presentation by stating that 86,000 people in Colorado have an intellectual or developmental disability. Seventy-two percent of those live with their family, but the family is aging. Over 12,000 live with a caregiver that is over the age of sixty. Only twelve percent have the residential supports to live outside the family home. Mr. Schmit stated that these individuals want to be a part of the community. The IHC wants to make sure to take this into account while also helping them to become more independent. Some barriers include a lack of social skills, overstimulation, and lack of transportation. To live their best life independently, they need transportation, housing, jobs, supported services, friends, and daytime activities.

Mr. Sims discussed the many resources that are available in the Housing and Community Report, such as housing options and service delivery options. The Autism Housing Network helped put together a logic model that is a roadmap for the IHC to help chart a course on who they are, what they are, and how to get there. With this logic model, the IHC decided to form four task forces consisting of outreach outside the disability bubble, outreach inside the disability bubble, innovation & housing development, and systems-change. A leader has been assigned to each task force. IHC is focused on connecting with the community to provide healthy and sustainable living options.

Ms. Hoover asked IHC if there were any obstacles that the Board could assist with.

Mr. Simms stated that the number one obstacle is funding. They have recently partnered with Colorado Housing and Finance Authority (CHFA) and have a meeting with Goldman Sachs and other companies interested in investing. Anything that can be done to raise awareness of the need for a healthy, sustainable living would be helpful.

Mr. Schmit followed up that they need to make sure that they remain a sustainable force in the community and that it requires looking at long-term funding, fundraising, and grants. IHC is in the process of applying for a grant with Developmental Pathways.

Mr. VanAuken thanked Mr. Schmit and Mr. Sims for coming. Mr. VanAuken stated that Developmental Pathways is committed to helping in the fight to ensure that families receive the assistance they need to live healthy and happy lives.

Legislative Update – Mr. Bowditch

Mr. Bowditch informed the Board that the legislative session concluded in June 2020 and will begin again in January 2021. There is an election in November for all members of the House and half of the members of the State Senate. On September 18, 2020, the quarterly state estimate will be released, and Mr. Bowditch will send it to Mr. VanAuken to share with the Board. On November 1, 2020, the Governor will submit his budget, and November 3, 2020, is the election. The Joint Budget Committee will begin meeting in mid-November. The potential impacts for Developmental Pathways are that several members of our delegation will not be returning; Senator Jack Tate from Arapahoe County, Rep. Janet Buckner who is trying to move from the House to the Senate, and Rep. Jevon Milton is terming. Mr. Bowditch, Ms. Tenure, and Mr. VanAuken have been meeting virtually with candidates to introduce Developmental Pathways and explain the services provided.

Finance Committee- Ms. Holbert

Review June 2020 Preliminary Year-End Results

Ms. Flores informed the Board that June 2020 financials ended with a net income of \$3.2 million, which was \$3.7M better than budget. These are preliminary numbers and will be posted after the final audit. Developmental Pathways received over \$500,000 in additional funding for the Family Support Program. This money was put toward COVID relief and ongoing services for individuals in need. Case Management and Early Intervention continued to deliver services remotely and Early Intervention was approved to provide services through TeleHealth, which allowed us to continue billing. Developmental Pathways received about \$1 million more in mill levy funding than was budgeted due to increased property values. This will be monitored in the new fiscal year for potential reductions. Another variance this year was unfilled positions that created a cost-savings. Developmental Pathways also decreased internal spending by using additional funding received from the State due to COVID-19.

Quarterly Financial Statement Review and Approval – July 2020 Financials Board

Ms. Holbert stated there was \$430,000 an unrealized gain on investments due to the market recovery in July. No other significant variances to report for July 2020. The funding structure for Case Management changed from a 15-minute increment billing to a per member per month funding structure. Developmental Pathways will closely monitor this and the impact it may have.

Ms. Flores informed the Board that Early Intervention is working on a new contract with the State. In the meantime, the fiscal year 2020 contract has been extended. The State is working on a new budget with a reduction of up to 10%. Developmental Pathways leadership is actively looking to see where money can be saved. Early Intervention is planning for increased caseloads due to this budget reduction.

Ms. Flores informed the Board that the financial statements provided to the Board on the Board Portal are updated, providing not only a summary but a more detailed explanation with breakdowns. There is also an in-depth Q&A finance document created by the Finance Department, in partnership with Commissioner Laydon, available on the Board Portal under Reference Documents. Ms. Flores is available for questions.

On behalf of Douglas County, Commissioner Laydon thanked the Executive and Finance Department for receiving the County's questions and responding with transparency and accountability.

The July 2020YTD financials were reviewed. Below is a summary of the Developmental Pathways consolidated July 2020 financials:

Balance Sheet:

Assets	\$37,658,843
Liabilities	\$6,964,784
Fund Balance	\$30,694,059

Statement of Operations

	Actual	Budget
Revenues	\$3,947,150	\$3,894,332
Expenses	\$(3,242,942)	\$(3,834,032)
Excess of Revenues Over Expenses	\$704,208	\$60,299

In accordance with SB16-38, we are required to review and approve financial statements at least once a quarter. 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 one week prior to Board meetings. Ms. Holbert and Ms. Flores provided a brief overview of the July 2020 YTD Financials.

MOTION: Ms. Holbert moved for the approval of the July 2020 YTD financials; Judge Toussaint seconded the motion. It was approved by a unanimous voice vote.

Board Fiduciary Training and Risk Tolerance Questionnaire Review Meeting Reminder

Ms. Holbert reminded the Board of the upcoming Fiduciary Training meeting scheduled for October 8, 2020, at 11:30 a.m. This meeting will provide information around investment strategy and oversight and will be led by Innovest Portfolio Solutions. All Board members are encouraged to attend the training session to learn about the fiduciary responsibility of investment managing and how we work with our Innovest Partners. The first hour will be the training portion, and the last half hour will be about the DP Risk Tolerance Questionnaire that will be sent out through Survey Monkey after the training. This meeting will be recorded for viewing at a later date.

Nominating Committee – Ms. Schmit

Ms. Schmit state that there are no nominations at this time but reminded the Board that if they would like to nominate someone to please go to the Nominating Committee page located on the Board Portal. There you will find information on the nominating process and the application form.

Public Affairs – Ms. Schmit

Ms. Schmit informed that Board that the Public Affairs Committee completed an in-depth strategic plan for the department and that it can be found on the Board Portal under the Public Affairs section for review. Please reach out to Ms. Schmit with

any questions. A CCB Communications group was formed to ensure Developmental Pathways is connecting with other PR and Communications teams. Other metro CCBs members are RMHS, Imagine!, North Metro, DDRC, and Foothills Gateway. Ms. Schmit stated that the current focus for the committee is voter engagement - to inform and empower the community in making choices this voting season. Developmental Pathways will be hosting three virtual events for the community from September – October. Flyers for the events are posted in the Board Portal in the Public Affairs section. The staff Halloween event will be held virtually this year. Ms. Kennedy is working with IT to work out what is possible. Suggested events are a pumpkin carving contest, a costume contest, and a baking competition. We are also looking at including a trivia game. Also, Developmental Pathways received a \$20,000 grant from The Lowe Fund at The Denver Foundation and an \$11,000 gift from Yardi Systems for the general fund. An end-of-year fundraising appeal is also in the planning stages.

New Business

Gallagher Amendment – Mr. Bowditch

Mr. Bowditch provided a brief explanation of the Gallagher Amendment. The Gallagher Amendment was referred to Colorado voters by the legislature in 1982. The intent was to limit residential property taxes. The amendment froze the ratio of the total taxable value of residential property (45%) to the total value of non-residential property (55%) forever. This is calculated on a statewide basis. Mr. Bowditch gave an example of how property taxes are calculated for residential versus non-residential. When Gallagher went into effect, the residential assessment rate was 29% and is now 7.15%.

If Gallagher is repealed; tax rates will not increase, the State assistance to support individuals with intellectual and developmental disabilities will not be impacted by other budget changes, and the voter-approved mill levies in Arapahoe and Douglas Counties will continue to be calculated through current methodologies.

If Amendment B fails, the residential assessment rate is projected to go down from 7.15% to 5.7% for FY22. Property taxes to support school finance will drop by a projected \$250 to \$400 million. Revenues to support the voter-approved mills for support for intellectual and developmental disabilities will decrease when the residential assessment rate decreases. The impact on Developmental Pathways is estimated to be a loss of \$4 to \$4.5 million per year. Mr. Bowditch ended his presentation by providing non-partisan arguments for and against Amendment B referencing the Legislative Council Blue Book. Mr. Bowditch's full report can be found on the Board Portal for reference.

ED Report – Mr. VanAuken

Mr. VanAuken introduced the C-Suite, made up of himself (CEO), Bob Ward (CSO), and Erica Kitzman (COO), and how they work in collaboration to prioritize leadership, strategy, and results for the companies. Mr. VanAuken stated that after March 2020, we re-examined our priorities and renewed our commitment in some areas while pivoting our attention in others, namely COVID and Diversity & Inclusion. Mr. VanAuken went over the new executive priorities; Influencing system changes, protecting I/DD services, stabilizing staff supports, promoting diversity and inclusion, and stewarding mill levy funds. Each of these will require significant internal and external communication efforts, and we will continue to update the Board regularly.

Mr. Harcey went into more detail on stabilizing staff supports. Staff is continuing to work remotely, and IT has insured staff has the equipment they need. A survey was completed by staff on remote working, which allowed leadership to craft training services for managers to assist them in supporting their teams. FFCRA is still available to staff members for COVID related needs and will continue through December 2020. Developmental Pathways continues to offer flexibility with schedules and has extended the PTO cutoff from July 2020 to June 2021. We are also pushing out a remote work policy.

Ms. Kitzman updated the Board on the DEI Committee's progress. The Equity Project has been hired as the company's consultant and will be working alongside internal staff and Board member Judge Toussaint. The Equity Project will be doing a comprehensive organizational assessment. Coaching and workshops will be provided to our leadership, and a DEI statement and goals will be developed. We will be working with them to embed DEI in our systems, including hiring, training, succession planning opportunities, and compensation.

Mr. Ward provided an update to the Board on mill levy funding. Ms. Tibbles is leading a group that will focus on mill levy funds and how it is currently being allocated. A financial analyst has been hired to work alongside Ms. Tibbles to look at our organization and pull together the numbers, including uses and functions and lay them out to make sure we are using these funds appropriately. With this data, we will have conversations with our community partners and the Board to make sure we are using these funds the right way. We also must account for System Redesign into our plan. Mill levy funds are dedicated to individuals with I/DD. A system will have to be created to track these funds to be allocated appropriately.

Mr. VanAuken stated that Continuum of Colorado, in conjunction with Alliance, has been working with ANCOR (American Network of Community Options and Resources) on ensuring a couple of items at a federal level. The first is that the next round of the COVID CARES package includes additional supports directly for DSPs (Direct Support Professionals) so that they can support individuals in long-term care and support services. A request was sent to our federal legislators requesting that they encourage CMS (Centers for Medicare and Medicaid Support Services) to include additional funding in the HEROES Act. Additional DSP funding was also included in the request sent to our federal legislatures. We have also asked our federal delegation to write a letter to CMS requesting a continuation on retainer payments and more flexibility. CMS has responded and excepted our request.

Mr. VanAuken had the opportunity to have lunch with the Alliance Director and Representative Esgar, Chairperson for the JBC, who was awarded legislator of the year. Mr. VanAuken discussed meeting with the Joint Budget Committee (JBC) and how this year will be different. There will be a meeting with the JBC and Alliance in September, and they will give them a list of items that need to be preserved. These items included how to decrease administrative burden, increase flexibility for providers and case management agencies, and maintain as much EI funding as possible.

Ms. Lichti stated that before COVID, the Professional Medical Information Page (PMIP) was a required form that had to be filled out each year to verify individuals with waivers still had a disability. With COVID, the State put a temporary hold in place, waving individuals from having to fill out the form. The State has now agreed that this will be a permanent implementation for anyone with a new waiver requiring individuals to fill out the form once, at the beginning of services. Developmental Pathways, goes from 2,600 individuals to 300 individuals a year, filling out the form. Ms. Lichi went on to say how thankful they are with the increased partnerships with HCPF and the Department of Human Services.

Mr. Ward informed the Board that there would be a detailed discussion at the November Board meeting during executive session regarding System Redesign. Developmental Pathways continues to work closely with the State, and several committees have been formed to work through this process. The State has hired a consultant that will begin in January to help navigate the process.

Mr. VanAuken concluded with a local level update that included continued work on strategic priorities and the COVID-19 impacts today and into the future. Ms. Kitzman and Mr. Harcey will give an update regarding succession planning at the November Board meeting.

Mr. Ward continued to work on company and department strategic plans. A draft has been developed with a timeline for today through July 2024. We have taken the information provided by the state and issues that still need to be addressed into account. These documents have been sent to the Vice Presidents and departments to make sure we are not missing anything and so that they can align the work they will need to do over the next four years. We will gather input from staff and finalize the strategic plans in October. We will continue to keep the Board updated.

Mr. VanAuken stated that Developmental Pathways sent letters to local school superintendents thanking them for their hard work during this difficult time. We made sure to give a specific call out to children on IEP or with I/DD and encouraged them to continue to allow parents flexibility and opportunities when available.

Due to time constraints, the Rios family video was not shown, and a link will be sent to Board members for viewing at their convenience.

Executive Session

Ms. Hoover asked for a motion to move the Board of Directors to go into executive session to discuss legal issues and all associated issues as per section 3.9 of the Developmental Pathways Bylaws and Colorado Revised Statute 24-6-402 (4)(f).

MOTION: Ms. Holbert moved for the approval for the Board of Directors to go into Executive Session at 7:05 p.m. to discuss legal matters and all associated issues as per section 3.9 of Developmental Pathways Bylaws and Colorado Revised Statute 24-6-402 (4)(b); Judge Toussaint seconded the motion. It was approved by a unanimous voice vote.

MOTION: Dr. McDonnell moved for the approval for the Board of Directors to come out of Executive Session at 7:08 p.m.; Ms. Peyton seconded the motion. It was approved by a unanimous voice vote.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 7:10 p.m. Adjournment motioned by Ms. Schmit and seconded by Ms. Peyton. Approved unanimously.