

DEVELOPMENTAL PATHWAYS, INC.
Board of Directors Virtual Meeting Minutes
Tuesday, November 17, 2020

Members Present: Lois Vaughan, Diane Holbert, Monique Peyton, Judge Don Toussaint, Mayre Lynn Schmit, Beth Klein, Kristin Hoover, JoAnne Zboyan, Commissioner Nancy Sharpe, Adam Horney, Lynn Myers, Daniel Sampson, Tim Batz

Members Absent: Commissioner Abe Laydon, Dr. Michaela McDonnell

Others Present: Matt VanAuken, Bob Ward, Selina Griggs, Cindy Lichti, Karen Flores, Erica Kitzman, Charlie Villarreal, Brenda Poage, Daniel Harcey, Hunter Premschak

The meeting of the Developmental Pathways, Inc. Board of Directors was called to order by the Board President, Ms. Hoover, at 5:05 p.m. Ms. Schmit established a quorum.

Guests: None

Conflict of Interest

None.

Public Comment

None.

Consent Agenda

Approval of Regular Board Minutes – September 15, 2020

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

Executive Committee – Ms. Hoover

Board Holiday Dinner – Ms. Hoover

Ms. Hoover informed the Board that the Developmental Pathways and Continuum/NMSC Board Executive teams decided that due to COVID, the Holiday Party is being canceled for this year.

2021 Board Retreat – Mr. Ward

Mr. Ward stated that with the upcoming corporate structure changes, separate Board Retreats will be held next year. Developmental Pathways will meet on the already scheduled date of March 11, 2020. Ms. Griggs will send out an updated calendar invite with the latest details.

Finance Committee – Ms. Holbert

Board Quarterly Financial Statement Review and Approval – Ms. Flores

Ms. Flores stated that the September 2020 financials are sitting at a \$1.5 million net income. Developmental Pathways has unrealized gains on investments of about \$550 thousand reflected within the net income amount. The net income is comparable to the \$924 thousand budgeted net income if unrealized gains were backed out. Gains and losses on investments are not budgeted. We are experiencing a reduction in professional services which is expected to continue to trend this way through

COVID. Developmental Pathways is realizing cost savings in salary and benefits expenses due to unfilled positions, and continues to evaluate if these positions will be filled with an ongoing focus on cost containment. A new rate structure went into effect on July 1, 2020, for Case Management activities. When budgeting for FY21, we didn't have the final rate structure, and so budgeted revenue is trending higher than what we are realizing in actual billings. Finance and DP Leadership are actively monitoring this. They are using financial modeling to project where we will be at the end of the year, and will use this data to make adjustments as necessary. There has been limited spending for the first quarter of the fiscal year in Community Outreach and Community Engagement, but we expect this to increase as we move into the next quarter. Members of the Executive Team and Finance Committee met with Innovest recently to review our investment portfolio results. The portfolio is currently experiencing a 7% return, but we will continue to monitor with economic uncertainties.

Balance Sheet:

Assets	\$38,365,477
Liabilities	\$7,153,246
Fund Balance	\$31,212,231

Statement of Operations

	Actual	Budget
Revenues	\$11,385,653	\$12,194,260
Expenses	\$(9,815,217)	\$(11,269,539)
Excess of Revenues Over Expenses	\$1,570,436	\$924,721

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 September 2020 YTD Financials.

MOTION: Commissioner Sharpe moved for the approval of the September 2020 YTD financials; Mr. Batz seconded the motion. It was approved by a unanimous voice vote.

Follow-Up: Board Fiduciary Training Meeting

Ms. Holbert thanked everyone for participating in the Risk Tolerance Training Survey. The results will be presented to the Board at a future meeting. If anyone has any questions, please reach out to Ms. Holbert or Ms. Flores.

Eide Bailly

Ms. Holbert reminded the Board that Ms. Popke from Eide Bailly would be at the December Board meeting to present the Fiscal Year 2020 audit.

Nominating Committee – Ms. Schmit

Ms. Schmit mentioned that Ms. Myers and Ms. Zboyan would be terming off the Board the first quarter of next year. Ms. Schmit asked that everyone think of potential members to add to the Board. Ms. Griggs will send out the onboarding procedures for reference.

Public Affairs – Ms. Schmit

Ms. Schmit commended Ms. Kennedy and her team for putting on the first-ever virtual Halloween Party. Nearly 400 staff took part. Prizes were awarded for pumpkin decorating, costumes, and skits. We also went live to three

of our programs/homes. Mr. Vincent was Master of Ceremonies and did an incredible job. The Halloween event wrap up document can be viewed on the Board Portal.

Ms. Schmit informed the Board of the success of the external voter engagement events reaching an estimated 70 participants with partners that included Alliance, Arapahoe County Libraries, Special Olympics Colorado, and The Arc Arapahoe & Douglas Counties. The digital campaign consisted of 35 Facebook Posts producing 206 likes, 14 loves, and 78 shares. Ms. Tenure made an excellent voter guide providing an impartial analysis of each question on the ballot. Ms. Tenure also created an election recap with the results; both are available on the Board Portal for viewing.

Ms. Schmit stated that the end of year appeal was sent out to current donors that included details around Colorado Gives Day. A social media campaign is underway to advertise as well. Ms. Schmit gave a brief update on Community Engagement hosting its first-ever 100% virtual Resource Fair. Topics ranged from respite, and recreation to general community resources. Community Engagement will be hosting the Thanksgiving and annual Pathways Holiday Outreach events. All fall/holiday events will be 100% touchless. Ms. Tibbles and her team are doing an incredible job adjusting these events to accommodate restrictions due to the pandemic.

Ms. Schmit encouraged Board members to email one of the individuals mentioned above, thanking them for their hard work. Ms. Holbert suggested sending a thank you to the entire DP/NMSC staff. Ms. Griggs will send an email to the Board with the individuals mentioned above. Mr. Harcey and Ms. Kennedy will draft an email and send it to Ms. Schmit and Ms. Hoover for approval to send to the DP/NMSC Staff.

New Business

ED Report – Mr. VanAuken

Mr. VanAuken discussed priorities with ANCOR. ANCOR anticipates another round of COVID funding in January and will be lobbying for individuals with Medicaid. Mr. VanAuken was asked to serve on the ANCOR Board next year. This will give Developmental Pathways a chance to be more involved and have a more significant impact.

Mr. VanAuken discussed the election results and the big win with the Gallagher Amendment repeal passing. This means that Developmental Pathways will not see a reduction in mill levy funding. A full election recap is posted on the Board Portal for review. Mr. VanAuken will be reaching out to the newly elected officials to introduce them to Developmental Pathways.

Mr. Ward addressed Case Management/Program Quality revenue reductions and how it affects Developmental Pathways. Case Management and Program Quality went to a new rate structure beginning July 1, 2020. The new method moves from billing in 15-minute increments to being paid on a per-person, per-month basis. Developmental Pathways and the State are unsure if the new billing method will provide the expected revenue, and changes may happen. We should know more after the first year.

Ms. Lichti informed the Board that the State has changed EI eligibility criteria from a 25% delay in one or more areas to a more challenging eligibility criteria of 33%. This means that children that previously qualified may not qualify now. The Office of Early Childhood is expecting a reduction of 2,000 children each year. For Developmental Pathways, that could mean a reduction of 500 children a year, which will result in a reduction of staff.

Ms. Kitman provided an update on DEI (Diversity, Equity, and Inclusion). An internal survey and focus groups are complete, and a Leadership training is scheduled in December. Regarding COVID, return to work has reverted to essential work only at the Inverness office to help limit the number of individuals in the office. We have started to see an uptick in positive cases among staff and feel this is the best course of action. Ms. Kitman also discussed succession planning and that a template will be used to track Associate Directors and above. As part of corporate

restructure planning, additional tracking tools have been put in place to help align needed resources such as space planning, IT, and funding. A Corporate Structure Dashboard has been created that will be utilized by Directors and above to identify critical decisions, milestones, and tactics.

Mr. Harcey discussed financial modeling and what it might look like for Developmental Pathways and NMSC as they separate from Continuum. The numbers have been updated and they provide a benchmark to understand better what we are looking at going forward regarding IT. As a result of COVID-19, we are on our computers more, which has added more demand and requests to the IT team. We are putting more thought into how to dedicate IT resources to meet demand, assist in separating companies, and address budgetary limitations. We will continue to update the Board as we move forward.

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 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); Ms. Peyton seconded the motion. It was approved by a unanimous voice vote.

MOTION: Mr. Horney moved for the approval for the Board of Directors to come out of Executive Session at 7:02 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 7:04 p.m. Adjournment motioned by Ms. Schmit and seconded by Mr. Horney. Approved unanimously.