

DEVELOPMENTAL PATHWAYS, INC.
Board of Directors Virtual Meeting Minutes
Tuesday, May 25, 2021

Members Present: Lois Vaughan, Diane Holbert, Monique Peyton, Beth Klein, Kristin Hoover, Commissioner Nancy Sharpe, Adam Horney, Dr. Michaela McDonnell, Commissioner Abe Laydon, Tim Batz, Mayre Lynn Schmit

Members Absent: Judge Don Toussaint, Daniel Sampson

Others Present: Matt VanAuken, Bob Ward, Selina Griggs, Karen Flores, Erica Kitzman, Daniel Harcey, Charlie Villarreal, Kim Tenure, Ed Bowditch, Brenda Poage, Ben Mettlach, Pastor Michael Brown

The meeting of the Developmental Pathways, Inc. Board of Directors was called to order by the Board President, Ms. Hoover, at 5:10 p.m. Ms. Schmit established a quorum.

Guests: None

Conflict of Interest

None.

Public Comment

None.

Consent Agenda

Approval of Regular Board Minutes – February 16, 2021

MOTION: Ms. Holbert moved for the approval of Consent Agenda items as presented; Ms. Schmit seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Executive Committee – Ms. Hoover

Nominations for Executive Committee – Ms. Hoover

In preparation for the June Board Meeting, Ms. Hoover indicated that a volunteer Board Member is needed to lead the nominating process for the 2022 fiscal year new executive committee. She further indicated that this person is responsible for communicating with all Board Members regarding the nominations. Ms. Klein volunteered to facilitate the nominating process.

FY2022 Board Calendar Approval – Ms. Hoover

Ms. Hoover reminded the Board that the FY2022 meeting calendar was emailed to the Board by Ms. Griggs for review and that a copy was posted to the Board Portal for reference. Ms. Hoover asked if anyone had any questions or concerns with the proposed calendar. There being no revisions, Ms. Hoover informed the Board that Ms. Griggs will be sending out calendar invites for the upcoming Board and Committee meetings.

Board Committees and Goals – Mr. VanAuken

Mr. VanAuken informed the Board that a Strategic Priorities Dashboard (Stoplight chart) is in process. As Committees begin to meet in the first quarter of the next fiscal year, they will finalize their charters and solidify their objectives. Along with each Committee's goals, Developmental Pathways' internal goals will also be included in the dashboard. A draft will be presented at the September 2021 Board meeting.

Finance Committee – Ms. Holbert

Board Quarterly Financial Statement Review and Approval – Ms. Flores

Ms. Flores informed the Board that Developmental Pathways is currently at a net income of approximately \$4.6M and is trending positive to budget by about \$3.9M primarily due to return on investments. Over the last year,

Developmental Pathways has seen a 39% return on investments. Case Management and Program Quality is running negative to budget due to the state's new rate structure implemented in FY2021. This is being monitored regularly, and adjustments are being made as needed. All other departments are running positive to budget. Developmental Pathways is projected to have a net income of \$5M at the end of fiscal year 2021.

Balance Sheet:

Assets	\$38,744,387
Liabilities	\$4,506,868
Fund Balance	\$34,237,519

Statement of Operations

	Actual	Budget
Revenues	\$39,138,198	\$39,741,663
Expenses	\$(34,542,473)	\$(39,023,937)
Excess of Revenues Over Expenses	\$4,595,724	\$717,726

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. Flores provided a brief overview of the April 2021 YTD Financials.

MOTION: Commissioner Sharpe moved for the approval of the April 2021 YTD financials; Mr. Horney seconded the motion. After further discussion, it was approved by a unanimous voice vote. Commissioner Laydon abstained.

FY2022 Proposed Budget Preview and Discussion – Ms. Flores

Ms. Flores informed the Board that Developmental Pathways is currently at a net income of approximately \$4.6M and is trending positive to budget by about \$3.9M primarily due to return on investments. Over the last year, Developmental Pathways has seen a 39% return on investments. Case Management and Program Quality is running negative to budget due to the state's new rate structure implemented in FY2021. This is being monitored regularly, and adjustments are being made as needed. All other departments are running positive to budget. Developmental Pathways is projected to have a net income of \$5M at the end of fiscal year 2021.

Real Estate Update – Ms. Holbert

Ms. Holbert discussed the sale of Kingston House and the dissolution of Youth Housing Colorado (YHC). Developmental Pathways established YHC to provide a housing option to support those in need of out-of-home placement. YHC purchased Kingston House and rented it to Continuum of Colorado (CoC) to provide services in a residential setting. CoC piloted these services for one year, but the Medicaid rates at that time were not sustainable. Also, the County was no longer able to contract directly with CoC and obtain the Medicaid match. In April 2021, CoC determined they would not continue providing youth residential services and terminated their lease agreement with YHC. The market value of the home is estimated between \$500K-\$550K.

Developmental Pathways is seeking Board approval to sell Kingston and dissolve YHC. Once the Board approves, Kingston House will be put on the market, and effective upon the sale of Kingston House, YHC will be dissolved. The remaining assets will be transferred to Developmental Pathways.

After further discussion, the following motions were made contingent that Mr. VanAuken will coordinate with potentially interested community partners to ensure we are not overlooking any potential partners interested in Kingston House and will provide updates to the Board officers and Commissioner Laydon on this status.

MOTION: Ms. Peyton moved for the approval to authorize the sale of the Kingston House Residence located at 1583 South Kingston Street, Aurora, CO 80012 from Youth Housing Colorado to a private buyer and authorizes Matt VanAuken, CEO, and/or Erica Kitzman, COO, to sign any of the sale documents in reference to the transaction on behalf of Youth Housing Colorado; Commissioner Sharpe seconded the motion. After further discussion, it was approved by a unanimous voice vote. Commissioner Laydon and Ms. Schmit abstained.

MOTION: Ms. Holbert moved for the approval to authorize the dissolution of Youth Housing Colorado, effective upon the sale of Kingston House located at 1583 South Kingston Street, Aurora, CO 80012 from Youth Housing Colorado to a private buyer and authorizes Matt VanAuken, CEO and/or Erica Kitzman, COO, to carry out such business as necessary to complete the dissolution according to the bylaws of the organization; Dr. McDonnell seconded the motion. After further discussion, it was approved by a unanimous voice vote. Commissioner Laydon and Ms. Schmit abstained.

Sale of Inverness – Ms. Holbert

Ms. Holbert notified the Board that Developmental Pathways is seeking Board approval to sell the Inverness property and consolidate its office operations to the Jewell location in Aurora. By selling the Inverness property, there will be a reduction in occupancy costs and related expenses. There is also flexibility afforded in leasing, which better suits the company's 2-4 year business plan. Developmental Pathways can reassess commercial property needs at the end of the Jewell lease term in 2026. Developmental Pathways will also look to lease smaller satellite office(s) as needed in their catchment area. Inverness is currently valued at \$6.5M, and a sale would save approximately \$600K in annual operating costs and at least \$225K in needed capital improvements.

After further discussion, the following motion was made contingent that Ms. Klein, Commissioner Laydon, and Dr. McDonnell concur on the final price, especially if we encounter deviations >10% fair market value.

MOTION: Ms. Peyton moved for the approval to authorize the sale of the Inverness Building located at 325 Inverness Drive South, Englewood, CO 80012 from Developmental Pathways, Inc. to a private buyer and authorize Matt VanAuken, CEO, and/or Erica Kitzman, COO, to sign any of the sale documents in reference to the transaction on behalf of Developmental Pathways, Inc.; Mr. Batz seconded the motion. After further discussion, it was approved by a unanimous voice vote.

Nominating Committee – Ms. Schmit

Kristin Hoover – Second Term Ending 5/2021 (Term 3)

Ms. Schmit notified the Board that Ms. Hoover's second term was ending May 31, 2021. Ms. Schmit asked Ms. Hoover if she would like to continue for a third term on the Developmental Pathways Board? Ms. Hoover replied, "Yes."

MOTION: Mr. Horney moved to approve Kristin Hoover for a third term on the Developmental Pathways Board of Directors; Commissioner Sharpe seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Welcome Pastor Michael Brown, Board Nominee

Ms. Schmit introduced Pastor Michael Brown to the Board and provided a brief background. Pastor Brown is the Executive Pastor at Crosspoint Community Church. Mr. Brown has connections with the Anderson Cancer Center and is very active in the community. Ms. Schmit informed Pastor Brown that the Board would be voting in Executive Session to add him to the Board. Ms. Schmit will contact him directly on the Board's final decision and future steps.

Mr. VanAuken informed Pastor Brown that Mr. Harcey and Ms. Poage would be coordinating training sessions with him.

Ms. Schmit went on to inform the Board of another potential Board member, Ms. Jenn Conrad. The Nominating Committee and Mr. VanAuken will participate in a meet & greet with her on June 3rd.

Public Affairs Committee – Ms. Schmit

Ms. Schmit provided an update on this year's Gala. The Gala will be held virtually on September 30th at 5:30 p.m. Finishing touches are being made to the sponsorship packets. They will be distributed to the Board to send out to any contacts they feel may want to support the event. DD Awareness month concluded, and it was a huge success with an increase in social media of over 200%. Developmental Pathways partnered with Access Gallery to create the "I am more than my disability" campaign. There were billboards around town, and Channel 2 News interviewed Developmental Pathways. Ms. Schmit went on to inform the Board that the Colfax Marathon is October 16th - 17th. They are waiting for the race schedule to be released and asking Board members to consider signing up to run for Developmental Pathways. Lastly, Developmental Pathways received a \$50,000

grant from the Colorado Department of Human Services (CDHS), Office of Behavioral Health (OBH) to partner with them on a communications project to raise awareness around the Colorado Crisis service and Lift the Label campaign. They also received a \$5,000 grant from Paycom and a \$5,000 grant from Pacific Western Bank.

Mill Levy/Fund Balance Committee – Comm. Laydon and Comm. Sharpe

Mr. VanAuken informed the Board that the first committee meeting would be in August and thanked Commissioner Laydon and Commissioner Sharpe for agreeing to co-chair the Committee.

New Business

Legislative and Policy Update – Mr. VanAuken and Mr. Bowditch

Mr. Bowditch provided the following legislative updates to the Board. The General Assembly is projected to adjourn by June 12, and there is much work remaining to be done. The State of Colorado is scheduled to receive approximately \$3.8B in federal stimulus funds. The legislature and Governor Polis are working on spending plans and a special legislative session is possible in the summer or fall.

The End Subminimum Wage bill has passed the Senate and is pending House Appropriations. Governor Polis signed the Long Term Services and Support Case Management Redesign bill. The Disability Symbol Identification Document bill passed the House and is pending in Senate Transportation. Lastly, the First Responder Interactions Persons with Disabilities bill passed the House and Senate and is pending House consideration of Senate amendments.

Mr. Bowditch touched on two new bills. The first bill is the Early Childhood Systems bill, by Speaker Garnett and Rep. Sirota. This bill creates the Department of Early Childhood. It establishes a transition working group and advisory group to adopt a transition plan for the new department and recommendations for a statewide, voluntary preschool program beginning in FY2023-24. This bill has passed House Education and is pending House Appropriations. The second bill is the Transfer of Early Intervention Oversight from CDE to CDHS. The Joint Budget Committee is sponsoring this bill to shift the oversight of Early Intervention from the Department of Education to the Department of Human Services.

Mr. Bowditch concluded that multiple measures have been proposed for the November 2021 ballot that could impact fiscal issues. Of note, Initiative #27 has been approved for circulation and would reduce assessment rates for residential and non-residential properties from 7.15% to 6.5% and 29% to 26.4%, respectively. If adopted, this would save taxpayers money and have a significant revenue decrease for agencies with mill levies. This would also increase the required state "backfill" for school finance. Mr. Bowditch reminded the Board that his full report is available for viewing on the Board Portal.

Mr. VanAuken informed the Board that the Long Bill had been signed. It provides a 2.5% provider rate increase and funding for an additional 667 DD waiver slots. Statewide, the legislature restored many of the reductions taken in FY 2020-21 and increased the state's General Fund reserve from 2.86% to 13.4%. Mr. VanAuken encouraged the Board to reference the policy update located on the Board Portal for more updates.

High-Level Updates – Mr. VanAuken

Mr. VanAuken informed the Board that he would be stepping down as the President of Alliance next fiscal year but would be staying on as Vice President. He continued by stating policy priorities for the coming year. They included Group Home setting rates for adults, the labor shortage problem with provider agencies, Federal Medical Assistance Percentages (FMAP), and the Case Management Redesign (CFCM) progression.

Corp. Structure Timelines – Mr. Ward and Ms. Kitzman

Mr. Ward and Ms. Kitzman updated the Board regarding corporate structure timelines for Developmental Pathways and NMSC relating to CFCM. These timelines have been shared with staff, and they will receive updates regularly.

Waitlist – Mr. Ward

Mr. Ward directed the Board to the I/DD Waitlist report on the Board Portal. This report was presented to Douglas and Arapahoe Counties. Mr. Ward encouraged everyone to reach out to him with questions regarding the additional 677 DD waiver slots and how this will affect individuals supported through Developmental Pathways.

Review CCB Application and Annual Report – Mr. Ward

Mr. Ward stated that Developmental Pathways must submit a CCB Application yearly to Health Care Policy and Financing (HCPF). In preparation for tonight's Board meeting, the Annual Report was posted to the Developmental Pathways website soliciting public comment. Developmental Pathways has not received any comments but will let the Board know if they do. Mr. Ward encouraged the Board to look at the Annual Report located on the Board Portal and contact him with feedback or questions.

Ms. Hoover will send a follow-up email to the Board with a link to the Annual Report and request any input or feedback from members.

Kudos – Mr. Ward

Mr. Ward shared the following kudos with the Board. Developmental Pathways made the Office of Behavioral Health news for our work with them on their behavioral health outreach. Developmental Pathways received a grant contract for \$50,000 to integrate outreach of their crisis services and Lift the Label campaigns. Existing networks will be used to share these resources with individuals and families, community members, PASAs, and CCBs. Outreach work will be done with the Public Affairs, Case Management, and Community Engagement teams.

Developmental Pathways Case Management participated with the Colorado Department of Public Health and Environment and the Colorado Department of Health Care Policy and Financing to provide information and assistance about COVID 19 vaccinations to increase vaccination rates among the most vulnerable. The outreach efforts required coordination with both state agencies over three weeks, beginning in late March. A total of 1284 individuals were contacted.

Mr. Ward concluded with a news story about two kids who met at an East Aurora park and became friends. What is remarkable is that these new friends have Autism and Down Syndrome, and Developmental Pathways has a personal connection to this park. Developmental Pathways financially supported Red-Tailed Hawk inclusive park building two years ago with a \$25,000 grant. The park project was started by a Developmental Pathways family with a vision to create a space where children of all physical and intellectual abilities can play together. This news story is an example of how we can further develop inclusive communities. The news story is available on the Board Portal to share and view again.

Open Discussion

None.

Executive Session

Ms. Hoover asked for a motion to move the Board of Directors to 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: Mr. Batz moved for approval for the Board of Directors to go into Executive Session at 7:25 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. There being no discussion, it was approved by a unanimous voice vote.

MOTION: Mr. Batz moved for the Board of Directors approval to come out of Executive Session at 7:26 p.m. Commissioner Sharpe seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Upon adjournment of Executive Session, Ms. Hoover asked for a motion to approve Pastor Michael Brown to serve on the Developmental Pathways Board.

MOTION: Ms. Schmit moved to approve Pastor Michael Brown to serve on the Developmental Pathways Board. Ms. Peyton seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 7:26 p.m. Adjournment motioned by Ms. Schmit and seconded by Dr. McDonnell. Approved unanimously.