



BOARD OF DIRECTORS MEETING MINUTES – AUGUST 29, 2023

PRESENT FROM BOARD:

Dave Hayden, Tawny Espinoza, Terry Pickens, Brandi Coleman, Kevin Fitzgerald, Randy Brown, Justin Aubert, Mike Nordine, Krista Ubersox, Tamara Krizman

EXCUSED ABSENCE(S):

Stephanie Keller

SPECIAL GUEST(S):

Michael Luetke

PRESENT FROM STRIVE:

Grant Jackson, Mary Anne Lawrie, Chris Bergquist, Laura Russell

| OVERVIEW OF MEETING |
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| Minutes were presented and approved. |
| Legal Counsel provided Compliance training in reference to CCB history leading up to conflict-free case management and the role of the Board of Directors. |
| Grant provided state and organizational updates. |
| Changes to Policy #6-6 – Human Rights Committee were reviewed and accepted. |
| Financials were reviewed and accepted. |

A quorum was achieved at 12:00 p.m. Dave Hayden presided.

Dave announced Brandi will provide an update on the status of her business at the end of the meeting.

MINUTES FROM 06/27/2023

Minutes were presented and approved.

It was M/S/P (Fitzpatrick/Coleman) to approve the minutes from 06/27/2023.

COMPLIANCE TRAINING

Michael presented on the role and functions of the CCB. STRIVE is the CCB in Mesa County and manages and delivers services to individuals with developmental disabilities. There are approximately 20 CCBs throughout the state who provide these services and supports not only to the individuals but also their families. CCBs are annually designated by and contract with HCPF.

CCB functions consist of providing access to long term services and supports through Medicaid waivers for Home and Community Based Services (HCBS). It also coordinates

services to individuals in the least restrictive setting with the objective of keeping them in their home and/or community. Case Management serves as the entry point for individuals needing this type of services and supports along with assessing their long-term care needs by developing a Long-Term Support Services plans (LTSS) for the individuals. Case Managers also perform a utilization review to ensure that the individual is receiving the necessary supports or will adjust them accordingly.

The Board of Directors is comprised of interested community persons, family members and individuals receiving services through the CCB. All meeting information is posted on the public website, i.e., financial. The CCB is also required to create e-mails for each Director so that the public may reach out to them to address any issues and concerns. Financial information is also available along with the annual audit. Training is also required for all directors as required by statute.

The CCB By-laws must meet the Board's composition requirements, prohibit voting on matters if a director has a conflict, CCB and service agency employees cannot be a director or participate in the election of a director, meetings must be open to the public except for an Executive Session wherein matters discussed pertaining to property transactions, legal advice, privacy laws, personnel matters, etc.

Attention turned to conflict-free case management which is now termed Case Management Redesign. The Federal Government initially enacted this legislation in 2014. In 2017, Colorado passed legislation implementing the Centers for Medicare/Medicaid rules for a CCB to either provide direct services or case management services. A CCB cannot provide both of these services. In 2020, Health Care Policy and Financing, (HCPF), announced their plans to implement Case Management Redesign and legislation was passed in 2021 enforcing the new system to go into effect July 1, 2024. Essentially the role of a CCB has changed and currently contradicts the statute. As of yet, there have been announcements regarding any changes to the rules and regulations regarding conflict free case management. This led to a brief question and answer period regarding redefining the role of a CCB, CCB designation requirement and funding, i.e., mil levies, etc.

The state statute regarding non-profit boards indicates that a director of a non-profit must have a:

- Duty of care – show due diligence, rely on information provided from officers, employees, professional of advisors, legal counsel, accountants, board committees and do not support actions that are not consistent with law or the agency's Articles and by-laws.
- Duty of loyalty - The Board will support only actions that are believed to be in the best interest of the organization, comply with the conflict-of-interest requirement and if the actions support the mission and vision.
- Duty of good faith by having knowledge of corporate affairs, consistent attendance at meetings, review of materials provided, inquire on information that is unclear and do not rely on the information if there is a reasonable belief that it is not warranted.

The Board also has liability and indemnity protection.

It is good practice for the Board to have conflict of interest. It meets the CCB statute, it protects the agency's interest when considering a transaction that may benefit a member. Since we are tax-exempt, we are bound by the IRS code which means that we are required

to operate to provide community benefit. We also cannot privately benefit a person other than from the organization's operations and activities. There is a subset of private benefit that refers to inurement which basically prohibits an insider from benefitting from the agency's assets for their own purpose. The definition of an insider is directors, officers, and substantial contributors. Michael provided examples of private inurement transactions. The risks involved in these types of transactions would be the potential loss of the tax-exempt status and/or assessed an excise tax on the benefit paid to a disqualified person with an additional excise tax on the organization's managers and directors that participated in the transaction if the value of the benefit exceeds the value of the consideration received in exchange for such benefit. A disqualified person is defined as any person who was able to exercise influence over the affairs of the agency, board members, president/CEO, treasurer or CFO, family members of an individual and entities which such person owns 35% interest. Others would be considered disqualified based on facts and circumstances if the person had influence over the affairs of the agency.

A "rebuttal presumption" is defined as no excess benefit is presumed if approved in advance by an independent board which is composed entirely of people unrelated and not subject to control of a disqualified person, obtained and relied upon the appropriate information and adequately document the determination in the minutes.

A conflict of interest exists when a director of the agency is a director or officer who has a financial interest. The transaction can still be acted upon if the director's/officer's conflict has been disclosed and recuses themselves from the meeting. It is good practice to address conflict-of-interest issues prior to commencement of the Board meeting. STRIVE's conflict of interest policy covers all these factors, i.e., duty to disclose, determination of the existence of a conflict, addressing the conflict, documenting the conflict in the minutes, discussions pertaining to performance evaluation, salary and compensation and annual conflict of interest statements completed by all Board members.

A discussion ensued in reference to the conflict-of-interest policy along with further clarification. After further deliberation, the Chair requested MaryAnne to add a potential conflict of interest inquiry as the first Agenda item. This will be incorporated into the agenda on a monthly basis.

Chris provided an update on the status of Sugar and Ice. A couple of weeks ago the S&I Committee met with legal counsel to discuss the agreement and address some of the feedback and concerns from all parties. A couple of the concerns were fee reduction in upfront costs and percentage of sales, along with addressing marketing and training, and determining fair market value. Chris just heard back from Sugar and Ice regarding the agreement and came to the following – franchise fee is firm, dropped royalties from 8% to 7%, and conceded on the renewal fee. They don't really have any marketing efforts planned but are willing to make some social media posts. There will be a two-week training course at one of their locations along with providing ongoing support if needed. This led to an in-depth discussion on pros and cons of buying the franchise vs just the truck and trailer, what happens if the owner sells his business and how it impacts the franchise, agreed to a 10 year renewal fee, is there a minimum or maximum revenue amount for the royalty payment, benefit of obtaining all recipes and vendors lists, actual equipment and inventory included, the benefits and employment opportunities of the new venture, the additional staff, etc. After substantial discussion regarding the agreement, it was the consensus of Board members to have Grant and Chris move forward on negotiations with Sugar and Ice.

PRESIDENT/CEO REPORT

Grant announced that Jim chose to resign from his position on the Board last week due to his current schedule and time constraints. Jim was a wealth of knowledge and asset to the Board for many years and will be extremely missed. We are in the process of working some form of acknowledgement of his time and commitment to STRiVE.

Our Case Management Transition Plan has been approved by HCPF and are working through the different processes to make it as smooth as possible. Once we get the final communication memo from HCPF we will be able to notify families/guardians and the community of these changes. We continue to meet with Rocky Mountain on a frequent basis to strategize on transferring data from one system to another. The easiest solution would be a temporary subscription to our system giving them ample time to download the data and reimburse us for these extra expenses.

Project Search (partnership with Community Hospital and School District 51) is going full speed. They already have the maximum number of interns for the program. Grant was invited to participate in mock interviews this week.

Peach season is upon us, and Alita's is going strong and have not requested any assistance in packing peaches. We recently made staff changes and now individuals have the opportunity to take part in all aspects of the different jobs, i.e., sorting and packing peaches, dipping fruit, jams, salsas, and syrup processing, etc. They are also participating in the Downtown and Palisade Farmer's Markets.

The CMU/STRiVE partnership is going wonderfully, and the individuals are doing a great job. CMU is currently having discussions on expanding the program to include athletic events. They will reach out to us once they have a plan in place. From our perspective, we will be looking for staff and individuals who will be interested in working the odd hours.

Grant reported The Joseph Center is still interested in purchasing the Teller/Belford building and just recently presented their proposal to City Council. They did request STRiVE obtain an appraisal of the two properties. This is scheduled for Friday.

Grant just wanted to start up a conversation with Board members about 790 after case management moves over to Rocky Mountain. We've already talked with the Executive Committee about the amount of free space we will have. We looked at renting the space out but the fair market rental value on commercial property is higher than what another non-profit organization could afford. There is also a rumor going on about St. Mary's buying up property around them and this could be another possibility. We've been thinking of selling the building and moving to another location that is more welcoming and convenient for everyone. Due to time constraints, Grant suggested the Board think on this topic and it can be readdressed in the near future.

POLICY #6-6 – HUMAN RIGHTS COMMITTEE

Laura was present to the report on the changes made to the policy along with requesting Board approval of them. A new paragraph was added to HRC Responsibilities outlining the appropriate guidelines on the follow-up on substantiated MANE investigations conducted by Service Providers along with the consequences if not in compliance. A brief question and answer period ensued addressing reporting requirements, tracking trends, filing formal

complaints, MANE reports presented to the governing Board, etc. Also, to consider, HRC is part of the case management transition over to Rocky Mountain which makes this a moot situation once this occurs. Grant reminded members that the QA Director provides all that information in her quarterly reports.

It was M/S/P (Coleman/Ubersox) to approve the changes to Policy #6-6, Human Rights Committee.

Prior to his report, Chris wanted to update the Board on the married couple that we are trying to obtain housing for. To recap the situation, this is a couple who one is in our services and the other one is with a different provider. They basically have been blackballed with the majority of the community landlords and living in a hotel at this point. Though costs are being halved between the providers, it is still a financial burden. This led us to consider purchasing some type of low-income housing for them. There was one property with a trailer that we were interested in. This was brought before the Executive Committee for their review and comment. The Committee had a lengthy discussion regarding stick-model houses vs. modular houses and depreciation of the same. Chris reached out to the realtor to address and get clarification on some of the concerns of the Committee. The realtor agreed with their assessment on the stick-model vs modular model and agreed the stick model would be the better investment. With that said, Chris is seeking approval for a \$250K price range so the realtor can start searching for reasonable housing. Since some members were not present, the Board recommended Chris to conduct a poll via email for approval on moving forward.

FINANCIAL REPORT

Chris reviewed the July financials. With the first month in, operating income is a positive at \$46K. Adding donations back in leaves a net income of \$52K. Year-to-date is identical.

Revenue is where it was projected and slightly higher than the previous year.

Personnel expenses are slightly under forecast. We still have a couple of positions that need to be filled.

Total operating expenses are slightly above forecast. This is primarily due to the timing of when payments to host home providers occur since they have the option of being paid on a weekly or monthly basis.

Operating income is significantly higher than forecast. Chris showed a decrease in income over the next few months with an increase in December from the County funding and then will slightly decrease over the remaining months of the year.

Attention turned to the following Metrics:

- Behavior is relatively in line with what was targeted.
- Vocational was slightly under target due to attendance.
- Staff occupancy is under target. We have a few positions that still need to be filled.
- Operating costs are over forecast.

Since we are just in the first month into the new year, actuals are the same as net income.

Nothing too noteworthy on the balance sheet that needs to be addressed. Ratios are a little

higher in comparison to the previous month.

It was M/S/P (Coleman/Espinoza) to approve the July Financials as presented.

COMMENTS

Brandi announced that she will be hosting a taste party the second Saturday of October at Appleton Christian Church. A ribbon cutting should be occurring in the next couple to weeks to officially open her business. She is planning to bring “goodie bags” to the next Board meeting. On a final note, if anyone is interested in ordering cookies, reach out to Grant and/or MaryAnne and they will contact her.

It was M/S/P (Espinoza/Fitzgerald) to adjourn the meeting at 1:39 p.m.

Secretary

Date