



**Board of Directors Meeting Minutes
November 17, 2015**

Present: Roger Schmitz, Chair
Will Fay, Secretary
Brad Baumgartner (via phone)
Steve Binder
Peter Burg
Elizabeth Herr
Amy Ross (via phone)

Absent: Sean Gallagher, Vice Chair
Kimberly Smith, Treasurer
Marlon Anderson

Staff: Shari Repinski
Nolbert Chavez
Annie Davies
Ann Gifford
Marva Hicks
Kris Kogan
Gwen Lawton
Jodi Dooling-Litfin
John Wetherington

Guests: Richard Westfall, Hale-Westfall LLP

The meeting of the Board of Directors of Rocky Mountain Human Services (RMHS) was called to order at 9:04 a.m. by Mr. Roger Schmitz, Board Chair, at Rocky Mountain Human Services, 9900 East Iliff Avenue, Denver, CO.

Consent Agenda

Roger Schmitz

- Approval of Nov. 17, 2015 Agenda
- Adoption of Oct. 20, 2015 Minutes

MOTION: Mr. Steve Binder moved to accept the Consent Agenda. It was seconded by Mr. Peter Burg and was approved by unanimous voice vote. Motion passed.

Board Elections

Roger Schmitz/Richard Westfall

Attorney Richard Westfall inquired if there was an objection to an open voice vote. The Board Chair polled the board and there were no objections. The officer slate remains the same by acclamation.

MOTION: Mr. Steve Binder moved to accept the Move to Slate for current officers as listed below. It was seconded by Dr. Elizabeth Herr. Motion passed.
Roger Schmitz, Chair
Sean Gallagher, Vice Chair
Kim Smith, Treasurer
Will Fay, Secretary

MOTION: Mr. Will Fay Binder moved to accept the Move to Slate for board members with expiring terms as listed below. It was seconded by Dr. Elizabeth Herr. Motion passed.
Brad Baumgartner (for 2nd term)
Roger Schmitz (for 3rd term)
Kim Smith (for 2nd term)

City of Denver Mill Levy Update

Shari Repinski

Ms. Repinski provided an update on Mill Levy activities. Staff met with representatives of the City Auditor's Office to hear a verbal summary of preliminary findings related to our expenses and the Mill Levy contract. There were a number of things that they found, which will be included in their report.

This audit is of the Denver Human Services management of the contract. They will be the receivers of the audit findings and they will be working with us to try to come up with our plan moving forward. There were some findings related to the City's management of the contract, since they have not monitored us for the full period of the Mill Levy.

We had findings that we will respond to around expenditure of the Mill Levy funds. Some of these have to do with the way we allocated administrative and other related expenses they found to be excessive, such as what we were spending on meetings and food. There are some areas where we'll need to tighten up moving forward. They commented on some employee benefits because it's difficult to say for sure whether Mill Levy was used to support these benefits or not. We've done a lot in the last few months to get that cleaned up. Most of what they will put on the table has already been corrected.

The report will come out on December 17th and will be released in the Audit Committee meeting on December 17th at 8:00 a.m. A significant finding related to Mill Levy is that we were not using Mill Levy monies for only those individuals living in Denver. We have a certain percentage of our population who live outside of Denver and we do not have a way to allocate those funds only to those customers who live in Denver. We're looking at this significant issue right now to get a handle on the clean-up that we need to do to correct that. About 15% of our customer base lives outside of Denver.

Subsequent to the Auditors meeting, Ms. Repinski met with the Department of Human Services to begin our work on the contract. We didn't get into detailed contract discussions. They are also concerned about the findings, but they're willing to work with us. There was some discussion about going back to the voters. We understand that they are taking this very seriously

and we will need to be responsive in developing a satisfactory contract that meets our needs and their needs.

Finance Update

CFO, John Wetherington

Mr. Wetherington updated the Board on the financial results for the first quarter of the fiscal year. The results are favorable to budget and partially reflect the transition to a new allocation methodology for shared expenses.

MOTION: Mr. Peter Burg moved to accept financial statements through September 30, 2015. It was seconded by Mr. Will Fay and was approved by unanimous voice vote.

The Board was presented with the current cash flow forecast which indicates funding is available for expenses based on current forecasts. Mr. Wetherington noted this exhibit is reviewed monthly by the bank and the Finance Committee. He also noted that the financial audit is progressing slowly and the financial auditors delayed some of their activities while the Denver City Auditors were active.

Mr. Wetherington requested that Ms. Ann Gifford replace Mr. Randy Wilson as an authorized signer on RMHS checks.

MOTION: Mr. Peter Burg moved to approve adding Ms. Ann Gifford as a signer on RMHS checks, replacing Mr. Randy Wilson. It was seconded by Dr. Elizabeth Herr and was approved by unanimous voice vote.

Board Chair Schmitz advised that Ms. Nancy Snyder from Colorado Business Bank would like to attend the next board meeting to learn more about our organization.

Real Estate

CFO, John Wetherington

We sold one house in October and we have one that we are projecting to close in February. We will continue to consolidate spaces. Our intent is to vacate the Grant St. location in May. We have an agreement in place for the Harvard building.

Strategic Priorities

Shari Repinski

Ms. Repinski updated the Board on our strategic priorities at this point in our fiscal year. We're working on a process to identify what our strategic priorities are during a time of stabilization and crisis management and trying to get our feet back on the ground. We have two things that we're focusing on at this time:

- The efforts that the Leadership Team has been taking to identify our strategic priorities.
- We've organized an employee group comprised of representatives throughout the organization. Board member - Dr. Elizabeth Herr - is sitting with the team through this process. It's been very meaningful for our staff to have her here to listen to their thoughts and observations.

Areas of Focus:

- Getting finances in order
- Operations issues that contribute to our financial issues
- Stakeholder relations focusing on rebuilding relations with our funders and families
- Communication, led by Ms. Annie Davies
- Staff - focusing on our most important assets and their future with this organization

Hopefully in January, the staff group will do a presentation to the Board on the above items.

Dr. Herr acknowledged Ms. Repinski's efforts to engage staff by walking through the halls, showing up at meetings, and dropping in to speak with them during lunch hours. This has helped to give them a sense of stability, knowing that people care about them.

Board Activities/Acknowledgements:

- Dr. Lizz Herr attended a Child & Family Meeting and is participating in the Employee Strategic Planning Team Meetings
- Ms. Amy Ross attended a Child & Family Meeting

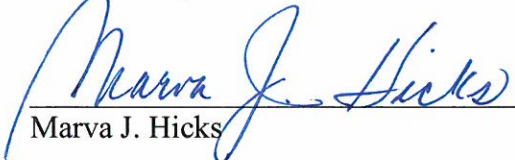
Executive Session

MOTION: Mr. Will Fay made a motion to move to Executive Session. It was seconded by Mr. Steve Binder and was approved by unanimous voice vote.


Meeting Adjourned at 11:15 a.m.

Our Next Meeting Will be Held on March 15, 2016 at 9:00 a.m.

Submitted by:



Marva J. Hicks

 1-12-16

Board Secretary/Chair date