



**Board of Directors Meeting Minutes
October 20, 2015**

Present: Roger Schmitz, Chair
Sean Gallagher, Vice Chair
Kimberly Smith, Treasurer
Will Fay, Secretary
Brad Baumgartner (via phone)

Steve Binder
Peter Burg
Elizabeth Herr
Amy Ross (via phone)

Absent: Marlon Anderson

Staff: Shari Repinski
Nolbert Chavez
Annie Davies
Ann Gifford
Marva Hicks
Kris Kogan

Gwen Lawton
Kathy Martin
Jodi Dooling-Litfin
Jodi Merrill-Brandt
John Wetherington
Brenda Whitlow

Guests: Jim Long
Richard Westfall, Hale-Westfall LLP

The meeting of the Board of Directors of Rocky Mountain Human Services (RMHS) was called to order at 7:30 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 Oct. 20, 2015 Agenda
- Adoption of May 8, 2015 Minutes
- Adoption of Sept. 15, 2015 Minutes

MOTION: Mr. Sean Gallagher moved to approve the Consent Agenda and the May and September 2015 Board Meeting Minutes. It was approved by unanimous voice vote. Motion passed.

Ms. Repinski informed the Board that Mr. John Wetherington, who has been serving as the Interim Chief Financial Officer, has done an amazing job for us and has had a tremendous impact on the organization. He has accepted our offer to become our new Chief Financial Officer.

Ms. Repinski also introduced former Board Treasurer, Mr. Jim Long, who served on the Board for nine years, and is currently working on our Finance Committee.

Finance Update

CFO, John Wetherington

We're working closely with the Finance Committee to provide a detailed review of the numbers being presented and we're doing an extensive accounting of the numbers to improve the quality of the data. It is important that the Board has more context of how it all fits together.

Mr. Wetherington presented the fiscal year budget for the year ending June 30, 2016 (FY16). This includes an analysis of the change over the estimated operating results for FY15 and a historical analysis of revenues, expenses and cash flow. John also discussed the staff's implementation of a framework for allocating direct costs for occupancy and information technology and a separate consistent allocation for overhead costs (management & general). Substantial changes are being phased in during this fiscal year to address funder's requests for clear allocations to their programs. Mr. Wetherington reviewed the key assumptions used to develop the budget and the work of the Finance Committee to review many of these details.

Board Approvals

MOTION: Mr. Will Fay moved to approve a Fiscal Year 2016 Budget of \$44.1 million. It was seconded by Mr. Sean Gallagher and was approved by unanimous voice vote. Motion passed.

Year-to-date financial results were presented for July/August. Mr. Wetherington noted that adjustments were being made for certain discontinued operations and adjustments would be made in September's financials.

MOTION: Mr. Sean Gallagher moved to accept the financial statements through August 2015. It was seconded by Mr. Will Fay and was approved by unanimous voice vote. Motion passed.

A review of recent cash flow performance and improvements to forecasts was discussed. The renewal terms of the existing line of credit with Colorado Business Bank were discussed.

MOTION: Mr. Peter Burg moved to authorize an extension of the line of credit currently outstanding in the amount of one million dollars through January 15, 2016. It was seconded by Mr. Will Fay and was approved by unanimous voice vote. Motion passed.

Real Estate

John Wetherington

The building leases for this year amount to a substantial amount. We're working to consolidate real estate. We believe we have the primary terms of an agreement to vacate the

Harvard property by the end of the year. We don't have a legal contract in place as of yet. The benefit of this will not show up until fiscal year 2017.

We've already sold 2 houses this fiscal year and have another sale pending which will add to our cash flow. The houses are not secured by a mortgage.

Operation TBI Freedom Update

Shari Repinski

We are working through a process of looking at this program. The budget that had been prepared did not account for all of the expenses associated with that program. We have a number of expenses aren't met by the revenues that are coming in. We are going through a process of review. We have a program evaluation that Ms. Jennifer Anderson completed for us, highlighting that the program has a lot of very positive outcomes from a qualitative standpoint, but is missing quantitative data to demonstrate the effectiveness of the program. We are working on a response for that to give our action to get those things back in order. We will be sure to answer to that evaluation. We are looking at the financial part of this program to see what it is going to take for us to sustain this program. We're working with the primary donor to answer questions that he has. We have a meeting with him on November 3rd and will continue working to resolve the problems that we have with this program.

Board Terms/Elections

Roger Schmitz

Elections for Board Members with expiring terms and Officers will take place at the November 17th Board Meeting.

City of Denver Audit

Shari Repinski

We have provided the City Auditors with all the requested information. They are still working through it with the Board and are targeting for November or December. A formal report will go to the City and not to us.

Financial Audit

John Wetherington

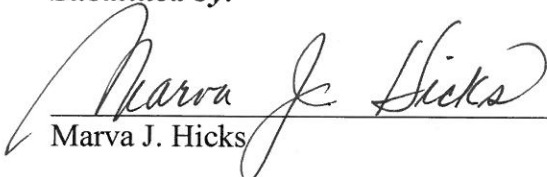
When our in-house audit is completed, Logan Thomas & Johnson will come and present the report to the Finance Committee, followed by a report which will be presented to the Board at the appropriate time.

Executive Session


The Board met in Executive Session.

Board Chair Schmitz adjourned the meeting at 10:00 a.m.

Submitted by:



Marva J. Hicks



Board Secretary/Chair

11/17/15

date