



**Board of Directors Meeting Minutes
November 14, 2018**

Present: Mark Ferrandino, Board Chair
Lloyd Lewis, Vice Chair
Olga Feldman
Christine Ruggeri, Secretary

Bill Ojile, Treasurer
Amy Ross
Michael Wroe
Joseph Derdzinski

Absent: Jose Torres-Vega

Staff Shari Repinski, Executive Director
John Wetherington, CFO
Jenn Beck
Deanna Soulis
Jenny Smith
Joelle Ashley
Dianne Clarke

Ford Allison, COO
Shelly Roberson
Ann Gifford
Jodi Litfin
Stephen Shaughnessy
Kris Kogan

Guests: Sharon Caulfield

The public session of the Board of Directors of Rocky Mountain Human Services (RMHS) was called to order at approximately 6:37 p.m. by Mr. Mark Ferrandino, Board Chair, at Rocky Mountain Human Services, 9900 East Iliff Avenue, Denver, CO.

CONSENT AGENDA

Mark Ferrandino

- Approval of November 14, 2018 Agenda
- Approval of September 19, 2018 Board Minutes

Motion: Mr. Bill Ojile moved to approve the November Consent Agenda and the September 19, 2018 Board Minutes. It was seconded by Mr. Joe Derdzinski and approved by unanimous voice vote. Motion passed.

FINANCIAL AUDIT REPORT

Steve Corder & Sarah Flischel

Steve Corder and Sarah Flischel of Kunding, Corder & Engle, P.C. presented the financial audit report for Rocky Mountain Human Services for the fiscal year ending June 30, 2018. The highlights of the presentation were summarized in a document prepared by Kunding, Corder & Engle and are attached hereto. Ms. Flischel reported that the management of RMHS has already prepared a corrective action plan in response to the reported deficiencies.

Mr. Bill Ojile noted that despite the increasing complexity of the audit and the impact of significant staff changes, recognition should be given for the excellence in leadership of John Wetherington and thanks to his staff for their diligence and hard work. Mr. Ojile also expressed appreciation to the staff of Kunding, Corder & Engle for their work on our behalf.

Mr. Ojile made the motion to approve the Financial Audit Report as presented and Ms. Amy Ross seconded the motion. The motion passed by unanimous voice vote.

PRESIDENT'S REPORT

Executive Committee Report

Mr. Mark Ferrandino

No formal meeting of the Executive Committee has occurred since the last Board meeting, therefore no report was presented.

RMHS Foundation and Governing Documents

Ms. Sharon Caulfield of Brownstein Hyatt Farber Schreck, as new counsel for Rocky Mountain Human Services, provided a general overview of the seven (7) Resolutions proposed for vote by the Board of Directors in regard to the transfer of ownership the RMHS real property of 9900 E. Iliff Avenue, Denver, CO 80231 to the Rocky Mountain Human Services Foundation. A complete and full copy is attached to these minutes.

RESOLUTION: Mr. Bill Ojile proposed the motion to vote on the proposed written Resolutions of the Board of Directors of Rocky Mountain Human Services, a copy of which is attached to these minutes. The motion was seconded by Ms. Amy Ross and was passed by unanimous voice vote.

Nominating Committee Report

Lloyd Lewis & Amy Ross

Ms. Amy Ross proposed two possible candidates for Board membership and reported that she and Mr. Lloyd Lewis will be visiting with the candidates on December 2nd. Ms. Ross reported that the Committee continues to seek out Board candidates who may be diagnosed as intellectually and developmentally disabled but have yet to find an appropriate candidate. Mr. Lewis encouraged the group to consider possible referrals for a Board position before the Board Retreat and Training on December 6.

PUBLIC COMMENT

Note: Regrettably, due to service outages in the area, the teleconference lines were unavailable for Public Comment. Public Comment was invited during its scheduled time on the Agenda, as well as at the end of the meeting. No Public Comment was made by those in attendance, if any.

EXECUTIVE DIRECTOR'S REPORT

Shari Repinski

Due to the length of the Executive Session, the Audit presentation, and full agenda related to the RMHS Foundation and associated governing documents, no Executive Director's Report was given.

FINANCE COMMITTEE REPORT

Bill Ojile and John Wetherington

Mr. John Wetherington provided a brief report on the year-to-date financials from July 1 to September 30, 2018. Mr. Wetherington reported that revenues in excess of expenses are ahead of budget for the first 3 months of the 2019 Fiscal Year. Revenues are behind by approximately \$1 Million, attributed primarily to variances in State Funding (slower ramp-up of Momentum and uncertainty of El Colorado payments), Mill Levy (switch from GAAP/Accrual

November 14, 2018 Board Minutes

method to cash basis) and Grants (Part C). Mr. Wetherington reported also that year-to-date expenses are behind budget by \$1.3 Million, and noted underspending in staffing, operating and overhead expenses with a slight decrease in client services.

Motion: Mr. Lloyd Lewis moved to approve the year-to-date financial statements ending September 30, 2018. It was seconded by Mr. Joseph Derdzinski and was approved by unanimous voice vote. Motion passed.

COMPLIANCE UPDATE

John Wetherington

Mr. John Wetherington reported that new hires in the IT group have contributed to improvements in RMHS compliance, including the hiring of a new security officer. Continual enhancements are being made to IT systems and all data is currently backed up and all PHI and mission-critical data is cloud-based. RMHS continues to focus on HIPAA training for staff—a new training program has been implemented through Relias. The Compliance Committee is undergoing changes as new core individuals are being added to the group and additional work is being done from a contract compliance standpoint. A senior accountant has been added to the Finance staff to facilitate compliance with the Mill Levy contract and the increased billing requirements.

NEW BUSINESS OR ANNOUNCEMENTS

A brief discussion was held in regarding to organizational goals related to the future of behavioral services at Rocky Mountain Human Services outside of what is currently being done in Early Intervention and Children's Clinical. Dr. Jodi Litfin offered additional information related to the difficulty in funding, the lack of certified ABA therapists, and the lack of organizational focus in this area of service. Ms. Shari Repinski suggested that this type of focus/decision has many pros and cons and would require additional dedicated discussion at the Board level.


ADJOURNMENT

Mr. Mark Ferrandino moved to adjourn the public session of the Board of Directors at approximately 7:30 p.m.

Submitted by:


Shelly Roberson
Executive Assistant

1-14-19
Date


Christine Ruggeri
Board Secretary

1-16-19
Date

**RESOLUTIONS
OF THE BOARD OF DIRECTORS
OF
ROCKY MOUNTAIN HUMAN SERVICES, INC.
(Meeting Held on November 14, 2018)**

WHEREAS, the regulatory environment in which ROCKY MOUNTAIN HUMAN SERVICES, INC. operates has changed substantially in the last several years, following issuance of a 2014 Center for Medicare and Medicaid Services regulation on conflict of interests and person center planning in programs for persons with intellectual and developmental disabilities; and

WHEREAS, in 2016 the State of Colorado, with the assistance of Navigant Consultants, adopted a report and implementation plan through the Department of Health Care Policy and Finance, which requires the separation of the entities that perform the roles of provider and case manager in the delivery of services to the intellectually disabled and developmentally disabled persons in Colorado; and

WHEREAS, as a result of these activities, the future role of ROCKY MOUNTAIN HUMAN SERVICES, INC. as a Community Centered Board will evolve in accordance with the new laws and regulatory requirements; and

WHEREAS, in addition to its original and primary role as the Community Centered Board for residents of the City and County of Denver, it is likely that ROCKY MOUNTAIN HUMAN SERVICES, INC. may enter into agreements to provide direct services or case management services for additional jurisdictions and granting partners in the future; and

WHEREAS, to meet this new regulatory environment, ROCKY MOUNTAIN HUMAN SERVICES, INC. has identified the need to be more flexible in its operations, and the need to have a resource platform from which it can be accountable to a number of different jurisdictions; and

WHEREAS, to effect such flexibility, ROCKY MOUNTAIN HUMAN SERVICES, INC. has determined that the transfer of ownership of its real property at 9900 East Iliff Avenue, Denver, CO 80231 to the ROCKY MOUNTAIN HUMAN SERVICES FOUNDATION, a supporting organization of ROCKY MOUNTAIN HUMAN SERVICES, INC., with transfer of the associated ROCKY MOUNTAIN HUMAN SERVICES, INC. bond-related debt to the ROCKY MOUNTAIN HUMAN SERVICES FOUNDATION, will facilitate the proper allocation of workspace and costs among programs served by ROCKY MOUNTAIN HUMAN SERVICES, INC. through contracts with the City and County of Denver, Colorado, other civil jurisdictions, as well as other grantmaking human services organizations;

NOW THEREFORE, the Board of Directors of ROCKY MOUNTAIN HUMAN SERVICES, INC., by a vote taken in accordance with its Articles of Incorporation and Bylaws, does hereby:

1. RESOLVE, that ROCKY MOUNTAIN HUMAN SERVICES, INC. shall become a non-voting Member, as defined at C.R.S. §7-121-401(24), of the ROCKY MOUNTAIN HUMAN

**RESOLUTIONS, NOVEMBER 14, 2018
ROCKY MOUNTAIN HUMAN SERVICES, INC.**

SERVICES FOUNDATION, a Colorado nonprofit corporation that has been recognized by the Internal Revenue Service as a Type 1 Supporting Organization, whose charitable purpose is consistent with the charitable purpose of ROCKY MOUNTAIN HUMAN SERVICES, INC., and that any Officer of ROCKY MOUNTAIN HUMAN SERVICES, INC. is hereby authorized to take such actions and execute such documents as may be required, if any, to effectuate this membership resolution; and

2. RESOLVE, that to further the purposes described above, the Executive Committee of ROCKY MOUNTAIN HUMAN SERVICES, INC. is authorized to approve the form of any and all documents as may be necessary or advisable to effectuate the transfer of the ownership of the real estate located at 9900 East Iliff Avenue, Denver, CO 80231, to the ROCKY MOUNTAIN HUMAN SERVICES FOUNDATION, all as in accordance with applicable laws and regulations, and that the Executive Committee may further authorize any Officer or Officers of ROCKY MOUNTAIN HUMAN SERVICES, INC. to execute any and all documents as are substantially similar to those approved by the Executive Committee to accomplish such transfer of ownership; and

3. RESOLVE, that to further the purposes described above, the Executive Committee of ROCKY MOUNTAIN HUMAN SERVICES, INC. is authorized to approve the form of any and all documents as may be necessary or advisable to transfer the existing bond-related debt associated with the ownership and financing of the real estate located at 9900 East Iliff Avenue, Denver, CO 80231, to the ROCKY MOUNTAIN HUMAN SERVICES FOUNDATION, all as in accordance with applicable laws and regulations, and that the Executive Committee may further authorize any Officer or Officers of ROCKY MOUNTAIN HUMAN SERVICES, INC. to execute any and all documents as are substantially similar to those approved by the Executive Committee to accomplish such transfer of bond-related debt; and


4. RESOLVE, that to further the purposes described above, the Executive Committee of ROCKY MOUNTAIN HUMAN SERVICES, INC. is authorized to approve the form of any and all documents as may be necessary or advisable to effectuate the reclassification of certain bond-related debt associated with the ownership and financing of real properties financed by ROCKY MOUNTAIN HUMAN SERVICES, INC. (other than the real property located at 9900 East Iliff Avenue, Denver, CO 80231) from tax-exempt bond-related debt to commercial debt, all as in accordance with that certain Voluntary Closing Agreement Program agreement to be entered into by and between ROCKY MOUNTAIN HUMAN SERVICES, INC. and the Internal Revenue Service, and that the Executive Committee of ROCKY MOUNTAIN HUMAN SERVICES, INC. may further authorize any Officer or Officers of ROCKY MOUNTAIN HUMAN SERVICES, INC. to execute any and all documents as are substantially similar to those approved by the Executive Committee to reclassify and reissue such debt by BOK Financial (f/k/a COBiz Bank); and

**RESOLUTIONS, NOVEMBER 14, 2018
ROCKY MOUNTAIN HUMAN SERVICES, INC.**


5. **RESOLVE**, that after the completion of the transactions described above and to further the purposes described above, the Executive Committee of ROCKY MOUNTAIN HUMAN SERVICES, INC. is authorized to approve the form of any and all real estate lease and related documents as may be necessary or advisable to effectuate the lease of the real estate located at 9900 East Iliff Avenue, Denver, CO 80231, by ROCKY MOUNTAIN HUMAN SERVICES, INC., as lessee, from ROCKY MOUNTAIN HUMAN SERVICES FOUNDATION, as lessor, all as in accordance with applicable laws and regulations, and that the Executive Committee may further authorize any Officer or Officers of ROCKY MOUNTAIN HUMAN SERVICES, INC. to execute any and all documents as are substantially similar to those approved by the Executive Committee to accomplish such lease transaction; and

6. **RESOLVE**, that all prior acts and documents executed by the Officers of ROCKY MOUNTAIN HUMAN SERVICES, INC. as are consistent with the forgoing resolutions are hereby ratified and adopted as the authorized acts and documents of ROCKY MOUNTAIN HUMAN SERVICES, INC.; and

7. **RESOLVE**, that the Officers of ROCKY MOUNTAIN HUMAN SERVICES, INC. are, and each of them acting singly hereby is, authorized and directed to take any and all actions, and to execute and deliver any and all documents, agreements, certificates and instruments, on behalf of ROCKY MOUNTAIN HUMAN SERVICES, INC., as they or any of them deem necessary or advisable in order to carry out the purposes and intent of, and to consummate any and all of the transactions contemplated by, any of the foregoing resolutions, and that the taking of such actions, or the execution and delivery of any such documents, agreements, certificates and instruments, shall be conclusive evidence of such Officer's determination and authority to act for or on behalf of ROCKY MOUNTAIN HUMAN SERVICES, INC.



Board Chairman



Board Secretary