Developmental Disability Services of Jackson County – eitas

Board of Directors Meeting
October 25, 2016

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<td>Call to Order</td>
<td>John Humphrey, Board Chair called the meeting to order at 6:02PM at the Administrative offices of Developmental Disability Services of Jackson County – eitas located at 8511 Hillcrest, Kansas City, Missouri.</td>
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<td>Secretary’s Report</td>
<td>Paula Smith, Board Secretary inquired if there were any changes or questions to the September 27, 2016 Board meeting minutes. There were none.</td>
<td>Motion: Lisa Honn, Member moved to approve the September 27, 2016 minutes as presented. Tammy Kemp, Board Vice-Chair seconded the motion. The September 27, 2016 board meeting minutes were approved as presented. Motion Carried.</td>
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<td>Treasurer’s Report</td>
<td>Russell Jones, Finance Committee Chair shared that the Finance Committee met earlier in the evening. The committee resumed the discussion on eitas’ financial reserves. Mr. Jones distributed a paper titled Identifying and Analyzing Financial Risk. A concentrated outline of that paper is shown below. Finance Committee members followed this outline in an open discussion.</td>
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Identifying and Analyzing Financial Risk

I. Process developed by the Government Finance Officers Association for considering the establishment of reserves as a hedge against uncertainty and loss, simplified to take into account eitas’ size and limited operations.
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| Treasurer’s Report Continued | A. Identify financial risks  
B. Assess risks using a “Triple A” approach  
C. Determine appropriate reserves for managing risk | Information |

II. Identifying Financial Risks  
A. Revenue-related risks.  
1. Revenue-related risk identified by Mr. Jacobs  
   a. Tax levy dollars are our most secure source of funding. In turn though, they are designated to be used for supports through providers and our transportation services. They are also used to pay for a portion of administrative and operational costs.  
   b. Medicaid revenue from TCM services is dependent on our SC staff billing for all the services they provide and upon the rate we are paid for those services. Missouri rates are currently under review. As a result, DMH has instituted a statewide cost report process that all TCM providers have to participate in. Data will be collected and averaged-out across the state to see what rate our costs justify.  
   c. The new Medicaid rule on conflict of interest could potentially affect income generated by support coordination and/or transportation, as the rule says we cannot provide both to those services to the same person. |

B. Expenditure Related Risks. Per the GFOA, expenditures of a recurring nature should not be addressed through the use of reserves, since |
### Treasurer’s Report Continued

reserves do not represent a sustainable source of funding for recurring expenditures

1. Expenditure-related risks identified by Mr. Jacobs.
   
a. Expenditures obviously fluctuate based upon a variety of causes.
   
   → Unforeseen major repairs to properties;
   
   → remodeling/expansion of current facilities; and
   
   → changes in laws governing services and supports (sheltered workshops closing, etc.)

C. Other financial risks

   a. If the minimum wage waiver enjoyed by sheltered workshops were eliminated by law, the workshops could come to eitas for needed additional funding.

   b. Many uncertainties approaching with the upcoming election. Until we know whom is elected we will not know how the needs of developmental disabilities/mental health will fare.

   c. All SB40 entities are subject to legal challenges to their statutory authority to engage in certain activities.

   d. If eitas were to expand its services so that it ceased to have a large unrestricted fund balance, the liquidity...
### Treasurer’s Report Continued

- might merit classification as a risk factor.

III. Triple-A approach to risk assessment.

A. Accept
B. Assess
C. Augment

Following the discussion on reserves, Earlene Clayton, Fiscal Manager presented highlights of the August 2016 unaudited financial report.

**Highlights for August 2016 Unaudited Financials:**

- Operating Cash balance at the end of August was $5.9M
- Total Investments at the end of August were $2.0M
- Total Liabilities at the end of August were $3.5M
- Operating revenues for August were over $1.2M
- Net operating income for August was $93,546
- Afternoon depreciation, net income for August was $31,324

No agency presentation was scheduled for this meeting.

John Humphrey, Property Committee Chair shared that the committee met earlier in the month and heard from, Marvin Blake, Facilities Manager.

Mr. Blake gave a review of all eitas properties. Highlights of that report are:
### Committee Reports - Property

- **8511 Hillcrest**: Contractors will be hired to start on the second floor bathroom expansion. Areas at the base of the building will get new edging and rock followed by lower level window washing.
- **8508 Hillcrest**: The bathroom areas were updated with ceiling repairs, paint, new led lights, sinks and faucets.
- **Transportation Center**: The outside lighting was repaired and Jade Alarm started installation of the new security system.
- **Southeast Enterprises**: Problem with collapsed sink drain.
- **Blue Valley Industries**: Exterior door and frame replaced. Hand washing area scheduled to be updated.
- **Developing Potential**: Trees removed from front area for safety reasons. Circulation pump and mixing valve replaced.
- **Job One – Grandview**: Warehouse lights upgraded.
- **Job One – Independence**: Location in need of roof repairs. HVAC’s repaired.
- **White Oaks**: In need of roof repair.
- **Southwood**: Plumbing repairs made to kitchen sink.

### Committee Reports - Planning & Services

Paula Smith, Planning and Services Committee Chair opened her report by sharing the committee had met earlier in the month. The meeting opened with a report from Bob Rice, Transportation Center Manager.

Mr. Rice shared that the new routes to accommodate the consolidation of the Rehabilitation Institute located on Main Street to Rehabilitation Institute on 12th Street; and the relocation of the RHD Art Studio to McGee Street is going well.

Misters Rice, Riley and Jacobs continue to meet with KCATA to explore areas where eitas could partner with them.

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• 8508 Hillcrest: The bathroom areas were updated with ceiling repairs, paint, new led lights, sinks and faucets.  
• Transportation Center: The outside lighting was repaired and Jade Alarm started installation of the new security system.  
• Southeast Enterprises: Problem with collapsed sink drain.  
• Blue Valley Industries: Exterior door and frame replaced. Hand washing area scheduled to be updated.  
• Developing Potential: Trees removed from front area for safety reasons. Circulation pump and mixing valve replaced.  
• Job One – Grandview: Warehouse lights upgraded.  
• Job One – Independence: Location in need of roof repairs. HVAC’s repaired.  
• White Oaks: In need of roof repair.  
• Southwood: Plumbing repairs made to kitchen sink. | **Information** |

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<td>Committee Reports - Planning &amp; Services Continued</td>
<td>Nancy Nicolaus, Agency Relations Supervisor shared that to date 1073 individuals from 93 agencies at the Training Center have been trained in Gentle Teaching. This does not include external trainings. Nancy also thanked Mr. Jacobs and the Board for supporting their attendance and presentation at the GT International Conference in Iceland. Mark Riley, Deputy Director opened his report on Support Coordination by sharing there are currently 48 Support Coordinators spread amongst six teams. These 48 individuals are providing services for 1,949 individuals. There are currently 12 Support Coordinator openings. On November 1 eitas will begin accepting newly eligible individuals from the Kansas City Regional Office (KCRO). The Department of Mental Health (DMH) would like eitas to focus on accepting newly eligible persons instead into service at this time, as opposed to accepting transfers of persons already receiving Target Case Management (TCM). Amanda George, Training and Organization Manager shared that a goal of the Developmental Disability Health Initiative - Year 5 is to be able to hire a Community Health Worker at eitas by January of 2017. Jake Jacobs, Executive Director interjected that eitas has been asked to participate with KU Medical Center, Institute for Human Development (IHD) and the Shepherd’s Center over a 3-year period on an Alzheimer’s federal grant. Jake Jacobs, Executive Director inquired if there were any questions to his report previously submitted to members. Paula Smith, Board Secretary inquired about the TCM rate issue.</td>
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<td>Executive Director Report Continued</td>
<td>Mr. Jacobs shared that as stated in his report the Targeted Case Management rate was set by DMH three years ago. Medicaid has stated that compared to other states doing the same service they feel Missouri’s rates maybe too high. As a result, DMH has instituted a statewide cost report process that all Missouri TCM providers have to participate in. Our data and the cost reports from all other TCM providers in Missouri will then be collected and averaged out across the state to see what rate our costs justify. Cost report results are scheduled to be determined by mid-December, which most likely will delay our finalizing the 2017 budget. Mr. Jacobs opened the review by sharing there would be no formal decisions made at the meeting tonight. Members will have the opportunity to take materials with them to review in depth. If following tonight’s meeting they have questions to please put the question out to all members. Until the December meeting Mr. Jacobs will be tweaking the draft budget based on financial reports and other information received after tonight. At the December board meeting board members will review the updated material and any last minute questions are answered. Members will vote on the budget so there is one in place by January 1st. If significant changes occur after approving the budget it can always be gone back to for adjustments. The following material was distributed to members:</td>
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<td>New Business – Review Draft of FY2017 Budget</td>
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• FY 2017 Budget Comments & Recommendations | Information |

Mr. Jacobs explained that questions were sent out to those providers whom the Funding Review Committee had issues with. For the most part, good responses were received. However, there are a couple of concerns still to be followed upon.

Mr. Jacobs then proceeded to take members through the 2017 funding requests making comments and answering questions.

At the conclusion of the funding request reviews Mr. Jacobs made the suggestion that any decrease in funds from 2016 be spent on programs for workshops. He explained that during this past year the day and residential programs received rate increases and COLA’s. The workshops got nothing because they are not Medicaid programs. So with any excess funds that we might have, eitas could develop or ask the workshops to develop programs that look at developing jobs outside the workshop or else programming for people that may be removed from the workshop and have nothing else. So, as we look at finalizing the budget I would encourage members to look at this.

After reviewing the funding requests Mr. Jacobs directed members to the Summary Page of the draft FY2017 budget and the Comments and Recommendations papers.

Mr. Jacobs explained that he wasn’t going into detail on each line item as each item is explained in detail in the Comments and Recommendations section. He did though briefly go down each line item on the Budget Summary page and comment. Members asked questions as each line item was
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presented.

At the conclusion of the budget review, Mr. Jacobs encouraged members to study the material and ask questions prior to the December meeting.

None.

Kelly Logan from Job One shared a comment.

There being no further business the meeting was adjourned at 6:45 PM and John Humphrey moved that the Developmental Disability Services of Jackson County Board of Directors go into closed session pursuant to the Missouri Revised Statues 610, Subsection 610.021 to discuss a personnel matter. The Closed Session is expected to last approximately 10-15 minutes.

Respectfully submitted,

Paula Smith
Board Secretary

Information