

PATHWAY FAMILY SERVICES

MINUTES FOR THE BOARD OF DIRECTORS MEETING

10.23.2017

The meeting was called to order by Rick Smith, Pathway CEO/President

The following board members were present for the meeting: Brian Conner, Fred Plane, Sonjia Braun, Sherry Rose, and Rick Smith.

Absent board members: Randy Rankin & Liz Carrizalez

Nathan Smith was present as the Corporate Secretary to record minutes.

Ashley Thompson, Finance Manager was present for the review of the financials.

Meeting began at Noon.

1. ADOPTION OF THE AGENDA. The proposed agenda with additional items was adopted. Moved by Brian Conner and seconded by Sherry Rose. Motion unanimously approved.

2. REVIEW AND APPROVAL OF MINUTES. Minutes for July 24, 2017, were reviewed and a motion was made to accept and file the minutes by Fred Plane and seconded by Sonjia Braun. Motion unanimously approved.

Minutes for email vote dated 9.13.2017 were reviewed and a motion was made to accept and file the minutes by Fred Plane and seconded by Sonjia Braun. Motion unanimously approved.

3. REVIEW AND APPROVAL OF FINANCIAL STATEMENTS. Fred Plane presented July through September 30, 2017 (3rdQuarter) Profit and Loss and the Balance Sheet for September 30, 2017. The balance sheet does include the building purchased as an asset. He reported due to the purchase of the building our gross assets reflect approximately \$2.4 million rather than \$1.3 million in assets. The net profit for the 3rd quarter was approximately \$90,000.

Finance Manger, Ashley Thompson stated, currently all revenues owed to Pathway are up to date. Currently do not have any revenue owed to us over 90 days for foster care. She also, stated we have billed for a few outstanding adoptions that have been completed.

Treasurer Fred Plane thanked Finance Manager, Ashley Thompson and Accounts Receivables Clerk, Ginny Williams for all their diligent work and for providing clarity to Pathway's current accounts receivables.

After a time of review and discussion, the July 1, 2017 through September 30, 2017 (3rd Quarter) Financial Statements as presented were approved. Motion was moved by Sonjia Braun and seconded by Brian Conner. Motion unanimously approved.

DIRECTORS REPORT JULY THROUGH SEPTEMBER 30, 2017

- 4. GRAND OPENING.** Executive Director, Rick Smith reported, The Grand Opening and Dedication Ceremony for our new facility in Bakersfield, CA were great successes. We had many DHS, City, State, representatives in attendance. Bakersfield City Mayor Karen Goh, and Kern County Director of Social Services, Deanna Murphy, both helped with the ribbon cutting ceremony. Both events were very successful.

- 5. NEW BUILDING UPDATE.** Most new office expense (move in preparation and property improvements) have been completed and paid for. Final payment for the wrought iron fence and outside electrical work will be paid this month. Also, we will have a rain gutter on the south side of the building replaced this month.

- 6. AUDITING UP DATE.** Executive Director, Rick Smith, Treasurer, Fred Plane, and Board Member, Brian Conner met with representatives from CPA firm Brown Armstrong regarding Pathway's financial records. It was decided by Brown Armstrong to have one of its auditors return to our office to evaluate the situation. On September 6, 2017, Brooke, Auditor from Brown Armstrong returned to our office to review finance records for 2016 and 2017. After a few days of review Brooke determined that she could not fix the issues. At this point an Accountants copy of QuickBooks was given to Brown Armstrong so they could go through our financials line by line.

October 6, 2017, Preventatives from Brown Armstrong returned to our office to review their findings. Ryan, Julie, and Brooke gave a detailed review of their finds. These findings were reviewed with Pathway Board of Directors at today's board meeting.

October 11, 2017, Rick Smith, Ashley Thompson, and Nathan Smith had a phone conference with Ryan Neilson from Brown Armstrong to further review the findings.

At this point we are waiting for the final review and findings.

- 7. UPDATE ON ATTORNEY GROVER WALDON** Rick reported, at this point we have ended our retainer with attorney Grover Waldon. If the board decided we need to further proceed with legal counsel we will reengage with the attorney.

- 8. REPORT AND PREPARATION FOR COA ACCREDITATION.** The COA accreditation team will be arriving at our Kern County location November 5, 2017 to start their review. The COA team will be on site for 3 days to complete their review. The Pathway team has worked very hard to prepare for the accreditation process.

9. ACTIVITIES DURING THE 3Rd QUARTER OF 2017.

- Conducted 3rd quarter transition trainings for all of our certified foster parents to become resource parents.
- Continue the process of transitioning our existing certified foster parents to become resource parents.
- Hired two new staff members to do work for the San Bernardino County RFA agreement.
- We have not moved the San Luis Obispo County office yet; plan to do so before December 31, 2017.

10. PROGRAM STATISTICS. Rick reported that currently there are 110 children in Pathway's program. There are 80 certified foster homes. There are 18 additional families in the process of becoming certified. He also stated there are currently 10 social workers (2 positions are currently open. Also, 2 of those are also adoption social workers) and 4 supervisors who serve the Bakersfield, Santa Maria, Atascadero & Hemet offices.

11. SCHEULED CHANGE. Rick reported, that January 1, 2018 we will implement a pilot schedule of two teams who work 9 days – 9 hours and rotate to a 10 day – 8 hours. To allow for two three day weekends per month.

12. INCIDENT AND INVESTIGATIONS: Board member Sonjia Bruan reported a summary copy of all incidents and investigations from July 1 through September 30, 2017 were mailed to each board member for the review prior to today's board meeting. There was further review and discussion about the report. Also, prior to the board meeting, a copy of all incidents and investigations were reviewed by board member Sonjia Braun. And she provided a verbal summary report to the board.

- **There was one incident the board would like Rick to follow up on.**

13. ADOPTION PROGRAM DIRECTOR'S REPORT: Becky Colaw reported the following:

- The total number of adoptive placements: 6 (all in Santa Barbara County)
- Total number of finalized adoptions: 5 (all in Santa Barbara County)
- Pre-Adoptive Placements in Kern County: 5
- Completed SAFE studies: 3 new and 3 updates (5 in Santa Barbara and 1 Kern County)
- Completed RFA studies: 9 (All in Santa Barbara County)
- RFS's in process: 13 (all in Santa Barbara County)
- SAFE Studies in process: 8 (3 in Kern, 3 in Santa Barbara, and 1 in Riverside, 1 in Santa Barbara County for LA)

Adoptions & RFA's (Resource Family Assessments) are going very well. Pathway's contract for RFA's services was renewed with Santa Barbara County for double the previous amount.

The Pathway board thanked Becky for her leadership.

The Director's report was accepted. Motion moved by Fred Plane to receive and file the Director's report. The motion was seconded by Sonjia Braun. Motion unanimously approved. The board expressed their appreciation to Rick and his staff for their commitment to the continued success of Pathway.

UNFINISHED BUSINESS

- A. REVIEW OF PROPOSED REVISED FINANCIAL MANUAL.** Each board member was mailed a copy of the proposed revised financial manual for their review prior to today's board meeting. After a lengthy discussion, the board decided they would like for board members Rick Smith, Fred Plane, and Brian Conner to further review the proposed financial manual. Once the committee completes their revision the manual will be implemented.

NEW BUSINESS

- A. 2018 BUDGET REVIEW.** Treasurer, Fred Plane presented the proposed 2018 budget for review and discussion. Each board member was mailed a copy of the proposed budget in advance for their review. The proposed budget is \$4,767,300.00 Fred explained how the budget was composed. One of the changes in the 2018 is the addition of one new position for Foster Parent Recruitment (for the central valley region) and one new Mental Health Director. Other added items include, a 3% cost of living increase.

After a time of review and discussion, Sherry Rose made a motion to accept the proposed 2018 budget as presented. Seconded by Sonjia Braun. Motion unanimously approved

- B. PROPOSED 2017 CHRISTMAS BONUSES.** - A Proposal was presented by Fred Plane to give social work, and hourly staff members a Christmas bonus equal to 2% of their gross annual salary. And to give management staff members a bonus of 3% of their gross annual salary. It was also decided to give the Executive Director a \$5,000, Director of Admin Operations a \$3,000, Finance Manager \$1,500, and Accounts payable clerk \$1,000 bonus for all their extra work this year on many different projects.

During this time of discussion Rick Smith and Nathan Smith left the meeting and recued themselves from the discussion and approval.

After a time of review and discussion, the board approved the Christmas Bonuses as revised.

Also, during the board's private discussion time it was recommended and approved that Rick receive a 5% raise plus the 3% COLA in 2018.

Board Approved.

- C. ELECTION OF REPLACEMENT BOARD MEMBER.** Board member Liz Carrizalez agreed to return to the board for a one year term after the passing of board member Robert Johnson. Rick Smith proposed former board member Doug Pike fill the vacancy. Doug has been off the board for the required 1 year as stipulated in our bylaws.

MOTION: After a time of discussion, Sherry Rose made a motion to seat Doug Pike as a Pathway Family Services board member starting January 1, 2018. The motioned was seconded by Fred Plane. Motion unanimously approved.

- D. REVIEW OF COMPANY INSURANCE.** Rick gave each board member a breakdown of all current insurance policies held by Pathway. After a time of review, the board would like add to Fraud Protection Insurance to the proposed insurance policy.
Approved by the board.

- E. PQI REPORT.** Each board member was given a PQI report for July 1, 2017 through September 30, 2017 for their review.

Meetings:

- PFS programs management team have met monthly to discuss the implementation of the new PQI program. This focus is a part of the weekly management meeting as well.
- PFS foster parents (resource parents) have been invited to participate in quarterly Q&A/feedback sessions.
- PFS supervisors have initiated formal monthly supervision meetings with their assigned Pathway social workers.

Community Partner Feedback:

- Surveys have been sent out to several types of stakeholders/community partners such as foster parents, foster youth, county social workers, PFS board members and other identified community partners. The results of the surveys were sent directly to Council of Accreditation (COA).

Identified matters to address and improve in 2018

- Support teams for our foster parents – hopefully provided through local churches and community partners.
- More direct services for foster youth that are provided more quickly, such as mental health services (counseling).

- Allow for more self care for PFS team members by implementing a 9x9 work program. Instead of working 10 – 8 hour days, will implement a pilot program of 9 – 9hour days. This will result in having a 3 day weekend twice per month.

F . PROPOSED PAY SCALE REVISION. Rick proposed a pay scale revision for Supervising Social Workers, Office Administrator, and Deputy Director FFA positions. A copy of the pay scale was handed out to each board member for their review. The new pay scale would be client based rather than years of employment based.

- Supervisor Pay Scale

30 FFA Clients	31-45 FFA Clients	46-60 FFA Clients	61-75 FFA Clients
= \$50,000	= \$53,000	= \$56,000	= \$60,000
- Office Administrator

30 FFA Clients	31-45 FFA Clients	46-60 FFA Clients	61-75 FFA Clients
= \$60,000	= \$64,000	= \$68,000	= \$72,000
- Deputy Director

60-75 FFA Clients	76-90 FFA Clients	91-105 FFA Clients	106-120 FFA Clients
= \$65,000	= \$69,000	= \$73,000	= \$77,000

MOTION: After a time of review and discussion, Sonjia Braun motioned to implement the proposed pay scale for a 1 year pilot project. The hope of the approved pay scale is to promote growth throughout the agency. Seconded by Brian Conner. Motion unanimously approved.

F. MOU RENEWAL. Rick reported, our Foster Care Service Memorandum of Understand (MOU) is up for renewal in Tulare County.

MOTION: After a time of discussion, Fred Plane motioned to renew our Foster Care Services MOU with Tulare County. Seconded by Sherry Rose. Motion unanimously approved.

G. DONATION OF UNDESIGNATED FUNDS. Rick requested that Pathway donate \$500 of undesignated funds to San Jacinto Assembly of God for the purchase of bicycles for less fortunate elementary school students in the area.

MOTION: After a time of discussion, Sherry Rose made a motion to move forward with the \$500 donation to San Jacinto Assembly of God to purchase bicycles for less fortunate children in the

community for Christmas. Seconded by Sonjia Braun. Motion unanimously approved.

E. NEXT SCHEDULED BOARD MEETING.

- Annual Board Christmas Dinner will be located at Stockdale Country Club, December 10, 2017, at 6:00pm. Board members are welcome to bring their spouses.
- The next meeting is scheduled for **January 22, 2018**; it will be held at Pathway Family Services office starting at 12:00 pm.

The remaining regularly scheduled board meeting for 2018 is January 22, 2018, April 23, 2018, July 23, 2018, and October 22, 2018

C ADJOURNMENT

Motion was made by Brian Conner to adjourn the meeting. Seconded by Fred Plane. All approved. Meeting was adjourned. Meeting adjourned at 2:45 pm.

Respectfully Submitted

Nathan Smith, Secretary