

PATHWAY FAMILY SERVICES

MINUTES FOR THE BOARD OF DIRECTORS MEETING

7/23/2018

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, Doug Pike, Sherry Rose, Randy Rankin, and Rick Smith.

Absent board members: Sonjia Braun

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

Ashley Thompson, Finance Manager, was absent.

Meeting began at Noon.

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

2. REVIEW AND APPROVAL OF MINUTES. Minutes for April 23, 2018 were reviewed, and a motion was made to accept and file the revised minutes by Randy Rankin and seconded by Sherry Rose. Motion unanimously approved.

3. REVIEW AND APPROVAL OF THE EMAIL MINUTES: Minutes for June 1, 2018 and June 15, 2018 were reviewed, and a motion was made to accept and file the email minutes by Fred Plane and seconded by Doug Pike. Motion Unanimously approved.

4. REVIEW AND APPROVAL OF FINANCIAL STATEMENTS. Fred Plane presented April 1st through June 30th, 2018 (2nd Quarter) Profit and Loss and the Balance Sheet for June 30, 2018. The net profit for the 2nd quarter was approximately \$36,953.

Fred also explained our CPA firm Brown Armstrong requested a few line items changes after the completion of our last finance audit. These line item modifications affected the accuracy of the Profit and Loss and Balance Sheet reports for January through March 31st, 2018 (1st quarter). Consequently, newly revised reports were provided to each board member for the 1st quarter during the meeting today.

Also, Fred noted, the Riverside County office is experiencing some deficit. Rick explained that the Riverside team is making strides for improvement and there is nothing to be concerned about at the current time.

Fred also reported, our auditor has requested that all EFT's (Electronic Funds Transfers) be presented to the board for review and approval. The current list of EFT transfers

includes, Employee Medical Insurance, Prudential Retainment, AFLAC, Federal and States Taxes, Mortgage Payment for 2600 G Street building, and Pacific Life Insurance.

Rick also explained, Pathway is currently keeping approximately \$300,000 in the checking account. The remaining balance is being held into an ICS account to allow us to stay under the FDIC insurance guidelines. Monthly, any funds over \$300,000 are transfer by Valley Republic Bank into the account. This account is liquid, the funds can be accessed within 24 hours if necessary. A separate line item has been added to the P&L for board review.

Review and approval of the Sub-committee minutes for 4/27/2018, 5/7/2018 and 7/16/2018. Each board member received a copy of the minutes from each financial sub-committee meeting.

Randy Rankin motioned to receive and file the minutes form 4/27/2018, 5/7/2018 and July 16, 2018 Finance Sub-Committee Meetings. Seconded by Doug Pike. Motion unanimously approved.

2017 FINANCIAL AUDIT

Brown Armstrong CPA firm spent a considerable amount of time on our 2017 financial audit without our knowledge or approval. Pathway had a signed contract in place for \$16,000 to complete the 2017 audit. Our CPA firm never mentioned anything regarding additional fees for services rendered for the 2017 audit. Brown Armstrong is now requesting we pay additional fees. After much discussion, Fred Plane recommended that Pathway not pay any additional money to Brown Armstrong because we have paid the contracted fee amount. Fred also recommends we seek a new CPA firm to complete our 2018 financial audit. All present board members agreed with the recommendation.

MOTION: Doug Pike motioned to select a new CPA firm to preform our 2018 financial audit. Motion seconded by Sherry Rose. Motion unanimously approved.

Rick is going to contact a couple other CPA firms regarding what the cost will be to reform our 2018 financial audit.

Rick also reported, all 990 tax documents and other required documents have been filed with the appropriate entities.

The board acknowledge and thanked Finance Manager Ashley Thompson and Accounts Receivable / Payable Ginny Williams for all their hard work in regard to the 2017 audit.

After a time of review and discussion, the April through June 30, 2018 (2nd Quarter) Financial Statements as presented were approved. **Motion was moved by Brian Conner and seconded by Sherry Rose. Motion unanimously approved.**

REVIEW AND APPROVAL OF THE FINAL 2017 CPA AUDIT. Each board member received a copy of the completed 2017 financial audit prior to today's board meeting for review. Additional documentation such as the final conditions and

recommendations from Brown Armstrong CPA firm, a final description of our Pathway responses to the recommendations and a final version of a cover letter from the board was provided to all board members with their final copy of the 2017 CPA audit. **After much discussion, Randy Rankin motioned to approve and receive the 2017 financial audit. The motion seconded by, Doug Pike. Motion unanimously approved.**

5. DIRECTOR'S REPORT FOR APRIL THROUGH JUNE 30, 2018

PATHWAY FAMILY SERVICES 12 ANNIVERSARY. July 19, Pathway will celebrate its 12th Anniversary.

FORMER FOSTER YOUTH. Rick reported, a former foster youth graduated UCSB at the top of her class. This young lady was the valedictorian and gave the commencement speech at her graduation. We are very proud of her.

FAMILY EVENTS. We had two family events. One for our Kern County families and the other for our Riverside County families. Both events were well attended and lots of fun was had by all.

RESOURCE PARENT HANDBOOK UPDATE. Rick reported, our Resource Parent Handbook has been updated according to the new standards in the Interim Licensing Standards provided by Community Care Licensing.

ADOPTION PROGRAM DIRECTOR'S REPORT: Becky Colaw reported the following for the 2nd quarter of 2018:

- The total number of adoptive placements: 7 (6 Santa Barbara County; 1 Kern County)
- Total number of finalized adoptions: 5 (5 in Santa Barbara County)
- Pre-Adoptive Placements: 20 (14 in Kern County, 4 in Santa Barbara County, 2 in Riverside County)
- Completed SAFE studies: 11 new and 4 updates (3 in Santa Barbara and 6 in Kern County, 2 in San Luis Obispo County, 4 in Riverside County)
- Completed RFA studies: 17 (All in Santa Barbara County)
- RFS's in process: 14 (all in Santa Barbara County)
- SAFE Studies in process: 13 (10 in Kern: 7 are not adoption, 3 adoption; 2 in Santa Barbara are not adoption; 1 in SLO for adoption)
- RFAs for San Bernardino County: 9 completed; 8 in process (2 of these were already completed in July, but it is a new quarter).

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. Becky compliments the Adoption/RFA team. They are doing great work in a very timely manner.

The Pathway board thanked Becky for her leadership.

SAN BERNARDINO COUNTY UPDATE: The new contract with San Bernardino County to do Resource Parent Assessments is beginning to do well. We have received 27 referrals for work since we initiated the agreement, which is in alignment with the contract that was agree on. We also, have two certified resource families in San Bernardino County. These families can begin to take placement.

ANNUAL KERN COUNTY SOCIAL WOKER LUNCHEON: Pathway hosted its annual CSW luncheon in Kern County on April 24, 2018. The luncheon was held at Stockdale Country Club. We had about 120 County Social Workers in attendance. This event is held to honor the work of the County Social Workers. The event was a great success.

ROLLOVER OF FOSTER PARENTS: We are continuing the process of rolling over each foster family to a resource family. This is a new requirement set forth by the State of California. Completion of the rollover process must be done by December 31, 2019.

GOALS TO ACCOMPLISH LATER THIS YEAR

- License an FFA/Adoption office in San Bernardino County
- Hire 2 recruiters – Bakersfield & Santa Maria
- Hire a Mental Health Director
- Hire a full time Adoption Director

ACTIVITIES DURING THE 2nd QUARTER OF 2018

- Hired a replacement staff member to be our Shelter Foster Care Social Worker for the Santa Maria office.

PROGRAM STATISTICS. Rick reported, that currently there are 97 children in Pathway's program. He acknowledged that this was a low number and that it would be addressed with his leadership team to regain appropriate client numbers. There are 77 certified foster homes. There are 26 additional families in the process of becoming certified. He also stated there are currently 11 social workers (2 positions are currently open). Also, 3 of the 11 positions are adoption social workers) and there are 3 managers who serve the Bakersfield, Santa Maria, Atascadero & Hemet offices. And 1 Deputy Director that serve the Foster Care services program.

INCIDENT AND INVESTIGATIONS: Prior to the board meeting, (the 2nd quarter 2018) copies of all incidents and investigations were reviewed by board member Sonjia Braun. Each board member was mailed a summary of each incident and investigations from April 1 through June 30,2018 prior to today's meeting. There was further review and discussion about the report.

Note: Sonjia Brown, who reviews all the Incident & Investigation Reports is not here today, Sonjia did send me an email on Friday, July 20th stating that she had reviewed all the individual documents and the board summary for the quarter. She

stated that the reports were appropriately handled and complimented our social work team for the professional work that they are doing on behalf of Pathway.

UPDATE ON PENDING LITIGATION: Rick reported on the pending allegation regarding a 2016 placement in Tulare County. Our attorney has been communicating with us to apprise us of the status of the case. No additional updates at this time.

The Director's report was accepted. Motion moved by Fred Plane to receive and file the Director's report. The motion was seconded by Brian Conner. Motion unanimously approved.

6. UNFINISHED BUSINESS

A. UPDATE ON PQI WORK SCHEDULE PILOT PROJECT

Update on the approved 9/80 work schedule pilot project. Rick reported, due to concerns regarding data about quantity and quality of our services and the limited number of team members that serve at each office facility, the 9x80 work schedule will be discontinued as of August 1, 2018. Rick will implement flex time for employees to take some time off when they have worked more than normal hours.

B. 2600 G STREET BUILDING REPAIR UPDATE. The minor repairs on the North corner of the 2600 G Street property will begin July 24, 2018.

7. NEW BUSINESS

A. INACTIVE RESOURCE PARENT POLICY. Required by Community Care Licensing and CDSS. The newly revised Interim Licensing Standards requires Foster Family Agencies to have an Inactive Status Policy. A copy of the policy was given to each board member for their review.

B. SAN BERNARDINO COUNTY OFFICE SPACE. Rick requested, he would be allowed to begin the process of searching for office space in San Bernardino County. Rick doesn't want to open an office in San Bernardino County at this current time, but would like to know the cost of office space for the future budgeting. **The board approved the request.**

C. REPLACEMENT BOARD MEMBER. Board member Sherry Rose is finishing her second term as a Pathway board member at the end of 2018. We will need seek a replacement board member by the end of the year.

D. BOARD RESOLUTION DATED JUNE 1, 2018. Property Renewal for the Santa Maria office. See resolution dated June 1, 2018. On or before June 1st, all board members responded to the proposal with a "yes" vote. On July 23, 2018 Rick confirmed the results of the vote with all Pathway Board members by signature on the resolution.

E. BOARD RESOLUTION DATED JUNE 15, 2018. Paid Leave Time for Exempt Employees. See Resolution dated June 15, 2018.

Brian Conner made a motion, "Paid Leave Time – Exempt Employees. Any officer or employee deemed "exempt" or "non-covered" under the provisions of the Fair Labor Standards Act and who is subject to the "executive," Administrative," or "professional" exemptions from overtime compensation under that Act, will not have his/her regular biweekly pay or paid leave allowances subject to reduction on account of an absence from duty of less than a day. "Paid leave allowances" include accrued vacation leave credit, sick leave credit, administrative time-off credit, accumulated CTO, Personal Time Off (PTO), and any other entitlement to a paid leave absence." Motion seconded by Doug Pike. Motion unanimously approved. Also, per the board's request this motion is retroactive to begin on April, 2018.

On or before June 15, 2018, all board members responded to the proposal with a "YES" vote. On July 23, 2018 Rick confirmed the results of the vote with all board members by signatures on the resolution.

E. NEXT SCHEDULED BOARD MEETING.

- The next meeting is scheduled for **October 22, 2018**; it will be held at Pathway Family Services office in Bakersfield, starting at 12:00 pm.

The remaining regularly scheduled board meeting for 2018 are October 22, 2018

C. ADJOURNMENT

Motion was made by Fred Plane to adjourn the meeting. Seconded by Brian Conner. All approved. Meeting was adjourned. Meeting adjourned at 2:30 pm.

Respectfully Submitted



Nathan Smith, Secretary