

The Arc of Sedgwick County
Board of Directors Meeting
August 27, 2007

ATTENDEES: Marge Zakoura-Vaughan, Marlene Sanders, Linda McCurry, Jana Bleakley, Darcy Eads, Colette Deeds-Conner, Deborah Gdisis, Shakila Saifullah, Ronda Maass, Dave McGuire, Ken Dannenberg, Steve Fisher, Tim Reimer

ABSENT: Curtis Tatum

PRESIDING: Steve Fisher

STAFF: Kevin Fish, Kristen Phillips, Vonda Bankston, Stacey Evans,

GUESTS: Shawna and Sandy Fielder, Mike Porter, Tom Laing, Colin McKenney, Brenda Maxey

Call to order

The August 27, 2007 meeting was called to order at 6:00 p.m.

Self Advocate Report

Shawna Fielder passed out report. They held their August forum last week and had 27 in attendance. On Saturday the Self Advocates will have a dinner party at the Rothwell's home to benefit the special ed. classes at Horace Mann where our YESS program is located during the summer. On Sept. 23 the Self Advocates are hosting an appreciation dinner at Strouds for all of the volunteers who helped with the Celebrity Auction. They are excited about supporting the Santa photos for the Lights on St. Paul and are working on the best way on taking photos.

Annual Audit Report – Mike Porter, CPA

The Annual Audit Report and Auditor's letter where made available to all board members. Mike reviewed page one first paragraph regarding what they did for the audit. Reviewed second paragraph regarding set of standards he must adhere to. He noted the third paragraph regarding his opinion on the statements and the last paragraph which covers supplemental information that is presented in the report.

Normally prepare a risk assessment on number of different areas of the audit. They decide what types of transactions they are going to look at and what materiality they are going to use. In this case, they used both materiality and levels that significant items might get looked at or relative small items. They also selected a transaction base on a random sample and check on accurate documentation to verify the amounts recorded in the financial statements.

One thing they look at is income tax payments for payroll taxes to make sure they are being paid timely and revealed that they have been paid timely. They also send confirmation letters to outside agencies for organizations to verify internal information, such as, bank balances or money that has been received from United Way or money that we have vested with the Wichita Community Foundation. The management of The Arc is responsible for the numbers in the financial statements. The auditors go through a checklist of things they expect to either obtain from them or have them sign off on or agree to. They did issue a management letter that is done on a routine basis. After reviewing the structure of the internal controls and whether or not things are done in compliance

with or if there are exceptions to that they would have noted it. They found no material deficiencies in our internal controls. Comments in letter is to encourage us to continue to maintain high level of internal controls and documentation and emphasize to all staff the necessity of obtaining documentation, such as, paid receipts, bills, etc. They also encourage management and staff to annually evaluate internal control procedures because it gives everyone communication back and forth about what is expected, especially if there are new employees or if all of a sudden you have a procedure that is not working very well because conditions or operations have changed and figure out a better way of doing things.

Ken Dannenberg: Report notes the endowment fund is not insured, which he takes to mean is not FDIC insured and presumes that somebody from the Wichita Community Foundation (WCF) could insure it for us or that they would have some insurance in place to make us whole if something was to happen to our account. **Mike Porter:** He does not think that we can rely on that. It may not be FDIC insured but we cannot assume that the WCF has insurance to cover it. A lot of organizations have insurance bonds to cover their employees and they may have that or they may not. **Ken Dannenberg:** So we should make sure that they have a bond. **Mike Porter:** You can if you thought that was an issue. The auditors do look at the WCF's financial statements to make sure that their underlying assets of their organization is sufficient enough that we are not putting our selves at risk by having an investment with them.

Dave McGuire: On page 2 under temporarily restricted items \$65,000 then on page 3 temporarily restricted items it goes to \$46,000, what is the difference? **Mike Porter:** On page 3 the difference is under revenue we received \$46,252 in temporary restricted funds during the year. At the end of the year we show a total of \$65,000 in cash some of which can be carryover from the previous year.

Marge Zakoura-Vaughan: Page 7 – our line of credit expired 05-21-06. Was it renewed at the same rate and same limit? **Mike Porter:** No, I don't believe it was. **Stacey Evans:** It has not been renewed right now. We will be in the process in the next month or two of renewing it with Fidelity. Since we have switched banks we will be switching the line of credit from Bank of America to Fidelity that way we won't have an annual cost to renew it. We were hoping that Bank of America would transfer the mortgage file to Fidelity but it doesn't seem as if they will.

Marge Zakoura-Vaughan: Page 6 – donated property and services. Do we at some point capture that information to help us in securing grants? **Kevin Fish:** Yes, anything if it is substantial that we would have recorded. Most of our donations tend to be pop, water and cookies. We have had land which was in the audit a couple of years ago and the Jaguar a couple of years ago.

Marge Zakoura-Vaughan: Is someone's residence the best place for the backup? **Kevin Fish:** The thought is having it off site in case something was to happen to the building. We are looking into a fire proof safe to make sure the backup is secure and safe off site in case something were to happen to the residence. **Marge:** In general is a residence the best place to keep it? **Mike Porter:** Thinks that having it at Stacey's home of more for convenience.

Interhab Presentation– Tom Laing, Colin McKenney, Brenda Maxey

Colin McKenney, Director at the Sedgwick County Developmental Disability Organization (SCDDO) for the past 7 ½ years: The Arc is 1 of 50 local community stakeholders that provide services to individuals with disabilities that affiliate with the SCDDO. When he first took over the director position at the SCDDO they were already a member of Interhab. From the very start they embraced him and started teaching him the things he needed to know. He wonders how much it would have taken him to make up all that ground if he did not have that support from Interhab. ACT, of which Kevin is a strong leader, is a product of an Interhab gathering that developed from a discussion about the need to do more local advocacy. It has been a great partnership that we have been able to do with both members and non-members of Interhab. This is one example of how we need to continue to build that partnership and want The Arc of be a part of what we are doing through Interhab throughout the year.

Brenda Maxey, CEO of Tech, Inc. in Hutchinson: She took over as CEO, 10 years ago. No experience, no degree or inservice training is going to prepare you for taking over and running an organization. The experience, expertise and knowledge of all the Interhab members had to share with her was overwhelming. Regardless of the size and locations of organization, many share the same kind of problems. For her to be able to call one of forty-five directors to talk to them or their staff to share ideas, policy or practices is invaluable to her organization when she was wanting to change the culture of her organization. She learned the ropes of advocating on a national level. They show you the different steps you need to learn.

Tom Laing, Executive Director of Interhab: They currently have around 40 members of Interhab. Colin and Brenda are two of the executive committee members of Interhab. Every member has a vote on the board of directors. Each member has the same voice in the governance of the association regardless of the size of their agency. They have progressed with technology. They subscribe to webx. They can go to the internet on screen and do work on a document while people are looking at their computer all over the state. Tom extended an invitation to the board to fill out the membership application for Interhab to hopefully join sooner than later. More progress has been done in our lifetime for individuals with disabilities that at any other time in history. Tom passed around a handout to all board members and highlighted four areas of information: 1. Offer more than 40 years of staff experience working in advocacy and in the state house; 2. Advocacy- working on legislative issues to benefit individuals with disabilities; 3. Education- Annual Conference, is the biggest in the Midwest and offer for free 20 training sessions a year plus 100 or more resource network activities. They take donations at meetings to help cover costs of speakers; 4. Technical Assistance – put together a program of a bank of names of volunteers at organizations that are willing to be a resource to help support other member agencies.

Colette Deeds- Conner: Under advocacy it states that you have gubernatorial appointees to the state councils. How many of those do you currently have? **Tom:** Two **Colette:** If The Arc were to sign up and someone was willing to help in this arena, and if they had never done anything like this before that there would be training to bring them up to speed. **Tom:** Yes

Dave McGuire: How much does it cost? **Tom:** There is a formula, in the most recent audited year fees are 1% of the first million dollars of salary and wages and then every dollar after that is 1/10 of 1%. For a million dollars in salary and wages the cost is \$10,000. The second piece in fees is the legal assessment that Interhab is still assessing on all

members voted on by the board to support the litigation against the state to raise the reimbursement rates for direct staff to be paid more. The legal assessment fee is about 1/3 of what you pay in dues.

Colin McKenney noted that the legal assessment is for a legal fund so that Interhab can react quickly and with approval of the board retain council with expertise in any area fits the issue to get the state to back down on issues that arise, which has been effective.

Cost for the annual conference is \$175 for members and \$205 for non-members

BREAK

Agenda Modifications

None

Consent Agenda

Item G. Endowment Report was not included in the mail packet for the consent agenda.

It was moved by Jana Bleakley and seconded by Colette Conner to accept the consent agenda as printed. Motion carried unanimously.

Discussion Agenda

A. Quarterly Treasurer Report

Tim Reimer: The Arc's actual current financial condition is strong. Although The Arc is still operating at a net loss and it will be tight going forward. It is difficult to make comparisons with prior periods since case management is evolving as we go. We have been fortunate with endowment giving this year and are on target for budget.

Linda McCurry: Is there a breakdown of cost for mini tours for the special assist food admin fees? Yes. Stacey has a breakdown.

It was moved by Ken Dannenberg and seconded by Colette Deeds-Conner to accept the Treasurer's Report as presented. Motion carried unanimously.

B. Targeted Case Manager (TCM) Update

The last of the targeted TCM clients transferred out thanks to Vonda's persistence.

We were pushed to the back burner because other agencies started to no longer serve children and a couple of agencies have closed. Incremental billing is still a challenge for agencies. The Arc is the best in the county for billing right now. Other agencies are on a learning curve.

Mosaic and Joshua's Care closed.

Dave McGuire: So we are sending 14 people to conference. We can go without being a member? Yes, it just costs \$30 more per person.

Ken Dannenberg: What do we think billing will be like for the rest of the year?

Stacey Evans: In July we had an increase in billing. We are in the process of developing a report that will take into account travel time, sick leave, training time and other non-billable items.

Ken Dannenberg: Do we need to look at adjusting size of our staff?

Kevin Fish: We will have a better idea of revenue through September for evaluation. He thinks revenue will climb. We have reduced 3 staff positions since spring. We are up 16 referrals for adults since July.

Ken Dannenberg: Why doesn't Comcare help with those who don't have funding?

Vonda Bankston: The county does pay for the first 2 hours of service each month for those who do not qualify for Medicaid. It is a small reimbursement.

C. Strategic Initiative Updates

1. Program Evaluations – Kevin passed around the first evaluation on the Arc Learning Series. The financial section still needs to be filled out. Looking at the purpose of programs and tracking types of disabilities of clients and track year to year. In the YESS program we have had a huge growth of kids with Autism that we serve. We can look at the Camp Pride form and review health issues that should prevent clients from participating in Camp Pride because the weather and environment make it unsafe to attend. We will be tracking volunteer hours and staff hours not only at the event but also in the planning process. We are also looking at including the cost of using the building for events.
2. Facility, Transportation and technology – Need to schedule a meeting.
3. Arc Awareness and Development – The marketing committee is looking at maximizing awareness through Lights on St. Paul (LOSP). The Wichita Magazine and West Side Story are interested in running stories on LOSP. Tom Gdisis of MYTV will continue to be apart of the LOSP committee.

Colette Deeds Conner: Contact fraternities to help with setting up the lights; have a competition with the clients to design an ornament and have it die cast to sell; approach KMUW for advertising.

4. Board Governance – No report
5. Staff Productivity and continuity (Personnel Committee): No report

D. Interhab Follow-up Discussion

There was curiosity why there are only 40 members across the state of Kansas. It is a cost issue. They did not do a good job explaining the benefits to our agency of being a member.

Tim Reimer: The earning position of the agency does not allow for that expense of \$10,000 annually.

Jana Bleakley: The \$10,000 still does not take into account Kevin's time away from the agency, travel expenses, etc.

Marge Zakoura-Vaughan: She would like us to keep the option open. She suggested to inquire if they would give us an introductory rate.

E. Committee Activation

Steve Fisher encouraged committees to try to put together an organizational meeting in the next couple of weeks, select a mission from a number of the strategic initiatives that we have from our last retreat. Identify someone to be the spokes person. If there aren't any strategic initiatives that fit your group then think of something that we haven't come up with yet.

New Business

A. Retreat Plan/Schedule:

Marla Flentje is open to working with us. She prefers to not do it on a Sunday but if there is no option she will. Discussion was held if we could accommodate Marla's schedule since she is working for free. The date for the retreat was kept for Sunday, October 14.

B. Director Nomination Search

It was moved by Ken Dannenberg and seconded by Marge Zakoura-Vaughan to fill the vacancy left by Jayme Gawith. Motion carried unanimously.

It was moved by Tim Reimer and seconded to adjourn. Motion carried.

Adjourned 8:26 p.m.

Secretary – Darcy Eads

Recorder – Kristen Phillips