

**Lighthouse Youth & Family Services  
Administrative Committee Minutes  
December 17, 2019**

Members present: Allison Kahn, Tamie Sullivan, Stephen Peterson, Lt. Elena Comeaux, Paul Haffner, Larry Sheakley and Ken Feldmann. Dawn Green and Tim Timmel attended via phone.

Additional staff present: Jodi Harding, Jessica Wabler, Cathy Goold and Judy Oakman

Ms. Sullivan called the meeting to order just after noon. As the first order of business, the Committee, upon motion by Lt. Comeaux, seconded by Mr. Peterson, unanimously approved the minutes of the August meeting. The Committee then upon motion by Mr. Feldmann, seconded by Ms. Kahn, unanimously approved the minutes of the special November 14 meeting.

Before the financial report, Mr. Haffner informed the committee of the positive developments with respect to the transition of the Lighthouse Community School. CPS has reached out with a \$500,000 offer to New Life Properties for the school building and surface lot. This is on the lower end of our acceptable range, but at least it keeps us moving forward.

Having distributed the financial reports to members in attendance on the phone, Ms. Oakman then presented the financial report, focusing on programs underperforming through year-to-date. Ross County services are at a slight deficit but we believe this will be corrected and we also intend to ask for a rate increase for Paint Creek with our friends at ODYS. Ms. Oakman and Ms. Harding explained the challenges with the Wrap services and how this contract will come to an end December 31. There will be additional losses in December and then School Based Wrap staff are moving up under Therapy Services Management.

The YHO deficit is larger than expected and we are studying this. We did plan for a significant deficit in this program and we will be seeking a rate increase when the contract renews in 2020. We are not optimistic of much in the way of rate increases, but we have always felt this program is a critical mission driver and will strive to get closer to break even.

Most notable is the challenges with our Therapy Services unit. This is supposed to be one of our surplus drivers and is currently operating at a significant deficit. Management is fully focused on fixing this, with Ms. Harding explaining the challenges of Behavioral Health redesign and Medicaid billing and our work to implement our new electronic health record.

Mr. Feldman specifically asked about the Montgomery County revenues being down dramatically from last year. Ms. Oakman will research and report back to the committee. She believed it had to do with Medicaid billing changes this fiscal year.

The Committee also discussed the new electronic health record implementation and how costs for implementation are capitalized but there are other expenses that do get allocated to the programs. So there will be a fairly heavy expense year as we drop the curtain on CX360 and raise it on Care Logic.

The Committee then reviewed the proposal to create a true finance committee and merge it with the existing audit committee. Mr. Haffner and Ms. Oakman led the discussion, noting this Administrative Committee had served for the last few years as a “defacto” finance committee. This is not optimal and members discussed their experience in other non-profits. A separate finance committee can be more directly involved with the CFO in doing deeper dives into financial issues. We can also recruit people who are not on the board and can simply serve on this committee as financial experts.

Mr. Timmel noted he would still like the Administrative Committee to have a financial report. Mr. Feldmann discussed the role of oversight and importance of having the Administrative Committee say grace over all three entities and the complicated financial movement of funds. Mr. Peterson recommended we could take a specific topic and use this committee to discuss in detail issues of strategic importance to Lighthouse, and potentially freeing up some time with less financial reporting.

Ms. Sullivan requested Mr. Haffner to revise the charter of this committee as well as the Audit (now Finance) Committee accordingly and requested this committee be officially called the Executive Committee. All were in favor of this change and we will vote on revised charters at either the next board meeting or the next Executive Committee as appropriate in 2020.

Also in governance related items, Mr. Haffner previewed several new members of the Lighthouse Board and the Beacon for Youth Foundation Board for the committee. Exciting new slate which has been developed in the last few months and will now be proposed to the full board in January. Great work by the Governance Committee!

The Committee then moved to the Development report. Ms. Wabler described the final events around our 50<sup>th</sup> anniversary including Happy Holidays, which is ongoing at Lighthouse, and the reunion event in November. We also discussed the wrap up of our 50<sup>th</sup> anniversary endowment campaign which had over \$400,000 in cash gifts and six additions to our Bob Mecum Legacy (planned giving) Society. Many of those gifts could be of significance but cannot put a dollar value on these.

The Committee also discussed the potential of combining the Foundation Board with the Investment Committee. Mr. Haffner explained with the change in the investment management of our endowment from an actively managed portfolio to a passive portfolio at Vanguard a few years back, the investment meetings are much less involved. They are currently quarterly and we struggle to fill an hour of time. The discussion centered on whether the Investment Committee discussions could simply be a piece of the overall Foundation Board meetings, having several members of the Investment Committee having already moved up to the Foundation Board.

The Committee discussed the historical prospective of having separated the Foundation from Lighthouse operations and the importance of keeping the Investment Committee within the Foundation Board structure even if it does become part of the Foundation Board. All agreed with this and deferred to the Foundation Board at its meeting in January to decide how best to govern itself and its committee structure. Mr. Haffner will also confirm members of the Investment Committee who should be extended an invitation to join the Foundation Board and will also check on the quarterly meeting timeline and how it might impact Vanguard's reporting of our portfolio performance.

Finally, Ms. Wabler explained the 2020 fundraising priorities as the "new" New Beginnings project which is already underway and has a new \$100,000 match from Dr. Dave and Rebecca Barron. We also discussed the continuing need for Sheakley Center operations fundraising as well as the KEYS match funding requirements for year two of this important program.

Moving into Executive Briefs, Mr. Haffner noted United Way sent a formal notice stating funding would be steady for 2020. This is the first time in a few years we have not been notified of a decrease so very good news. We also briefly discussed the electronic health record transition plan which is going well. Mr. Haffner Informed the Committee he will be reaching out to members to help with the Executive Management Team's performance review cycle for his four direct reports who are all in attendance today. Ms. Harding gave an update on the Ohio PREP grant which Lighthouse secured recently. We are hiring for a Coordinator position for this role. This is a two year grant with significant funding and potential for ongoing renewal.

Paul Haffner  
President & CEO