



BOARD OF DIRECTORS MEETING

FEBRUARY 20, 2025

Board Members Present: Terry Wilson, Carol Earnhardt, Julie Schilling, Stephen Swisher, Sheri Wilson, and Susan Leuthauser

Board Member Absent: Peggy Fisher, Excused

Staff Present: Becky Passman, Lisa Harwood, Kim Crutcher, Sonita Oldfield-Carlson, Devin Hansen, Kathy Hyde, Stephanie Newton, and Sharon Schnoor

I. Call to Order

The meeting was called to order at 10:03 a.m.

II. Roll Call

Roll call was taken, and all were present except for Peggy Fisher.

III. Approval of Agenda

Motion made by Susan Leuthauser, and seconded by Carol Earnhardt, to accept the Agenda as written. All were in favor.

IV. Approval of Board Minutes of December 12, 2024

Motion made by Steve Swisher, and seconded by Susan Leuthauser, to accept the Minutes as written. All were in favor.

V. CEO Report

Becky reported that the first draft of the Area Plan was submitted a week ago. The final draft is due April 4. There does need to be a Public Meeting. Becky to let the Board know when it is published right away. At next Board Meeting will have a draft prior to Notice being published along with the budget as well as we can. We are

looking to adjust our contract/service provision arrangements this year. Some services will be contracted with an annual amount as previously. Other services (homemaker, personal care, respite, chore, PERS) will be delivered through an “individual purchase of service” method. Some of our clients were not able to receive services because contracted funds were already taken up. We believe we can better monitor service hours given, funds available, and implement needed prioritization by using a vendor list method. We can order services when needed and have more control over ensuring recipients are those most in need by OAA criteria. Auditors stated they will have the fiscal audit completed by the end of March.

VI. Financial Report

Stephanie went over the fiscal reports for November and December with the Board. Cash flow remains insufficient to cover operating costs. Motion was made by Steve Swisher, and seconded by Julie Schilling, to approve the Financial Report. All were in favor.

VII. Old Business – None

VIII. New Business

- a. Milestones Financial Committee Report – Representatives from the Finance Committee and CEO met with Riverboat Development Authority CEO, who provided valuable information and suggestions for upcoming programs which may be beneficial to the agency’s situation. It was shared that the Foundation Board approved the idea of borrowing against the building to help with backlogged bills. Had meeting with Quad City Bank & Trust but that did not work out. They suggested a meeting to discuss sale of Davenport office building with a local private equity businessman who is also interested in supporting nonprofits if it works for both parties. Meeting took place, proposal was put forward for discussion with Foundation Board at the next meeting. Proposal included purchase with a lease back option, agency would be responsible for utilities, internet, etc. Agency bills eliminated would include snow removal, HVAC, repairs, lawn mowing. There could be the option to buy our building back. This would help our situation now, but we still need to ensure operation in the black. Mentioned we still have a line of credit with Quad City Bank. Terry said the Finance Committee needs to get together again and probably before the next board meeting, if not sooner.
- b. Corrective Action Plan - Becky gave the Board a copy of the Corrective Action Plan she received from Zach Rhein, saying the requirements started just last week. Said there are weekly and monthly meetings with the ADS staff team. Were given a chart with a variety of required actions and a timeline in which we

are to implement these actions. Essentially the whole process is focusing on fiscal processes through procedures. They want to see every communication to alert of any service reduction. Also want to review staff training regarding fiscal processes and process protocols two weeks in advance. Goals are that we can demonstrate that we are able to be completely accurate in our fiscal accounting, that it is following the rules of the Older Americans Act, and improve policies and procedures. We are also notify ADS in advance with copies of communication about changes in service within the population we serve, our prioritization process, and service utilization review process. Agency needs most accurate information to ensure we can make informed decisions on how things are paid. Carol asked how they got to their findings and Becky said we began communicating our difficulties regarding shortfalls, late state payments, and unpredictable allocations. Have been meeting regularly since 11/2024 for help and guidance and to keep them informed. The Finance Committee is to continue to meet monthly and might need to have Board meetings monthly for now. For newer members, Becky reminded all that the Foundation is a separate entity. It operates as an independent 501(c)3 organization. Its mission is to oversee the building and its activities all in support of Milestones Agency. The Board does not control the Foundation Board or its activities. Susan said we need to look at further funding sources. Carol said the Finance Committee needs to dig deeper. Steve said must be very adamant that we have the capacity to pull ourselves out and show how we can continue to do it. Becky did mention that Zach Rhein offered to come speak with the Board if they were interested. He can answer questions and share. Becky and Stephanie wanted to let the Finance Committee know they really appreciate their help with this. We hope to change to a different, more user-friendly accounting system that provides more of the features we need once things are finally settled down and make sure this never happens again.

IX. Program Reports

None of the Program Directors or Marketing had anything additional to add besides the reports they had already submitted to the Board.

X Calendar Year 2025

Next Board Meeting is scheduled for March 20.

XI. Adjournment

Motion made by Carol, and seconded by Steve, to adjourn the meeting at 11:19 a.m. All were in favor.