

For the sake of what?

Does this move us in the direction of our mission?

Is this the best use of resources?

Is this the direction we said we want to go?

Our Mission:

Pathway Homes embodies the spirit of recovery: embracing an attitude of hope, self-determination and partnering with each individual on their personal journey toward achieving self-fulfillment and realizing their dreams.

We fulfill our mission by making available to individuals with mental illness and co-occurring disabilities a variety of non-time-limited housing and services to enable them to realize their individual potential.

PATHWAY HOMES, INC.

Board of Directors

Monday, January 13, 2014

7:00 P.M.

10201 Fairfax Blvd., Ste. 200

Fairfax, VA 22030-2209



- 6:30 Social Half-hour
- 7:00 Call to Order
- 7:05 Presentation
“Emergency Preparedness” - Leadership Team
- 7:30 Approval of Minutes of Meeting October 14, 2013*
- 7:35 CEO’s Report – Dr. Sylisa Lambert-Woodard
- 8:00 Treasurer’s Report - Brenda Brennan
- 8:05 Chairperson’s Report and Comments
- 8:15 Committee Reports
 - 1. Philanthropy Committee—Maiko Ashby / Patrick Chaing
 - 2. Board Development—Jennifer McKenzie / Dan Gray
 - 3. Audit Committee—Tom Rowe
 - 4. Advocacy Committee—Jennifer McKenzie / Angie Lathrop
- 8:30 Old Business
- 8:35 New Business
 - 1. Board Advocacy
 - 2. Board Program Visit Opportunities
- 8:40 Announcements
- 8:45 Adjournment

Executive Session will immediately follow the conclusion of the meeting.

* Materials Enclosed in Packet

ADDENDUM TO BOARD AGENDA

January 13, 2014

Happy New Year! Pathway Homes has had a most prolific quarter responding to new regional opportunities and expanding housing and services. With continued resilience, we continue to be guided by our mission into 2014. The following addendum is a synopsis of our works, and celebration of our achievements. Notably, the announcement of Pathway Homes named as the **2013 Annual Housing Award winner in the best housing program or service category for the state of VA!** Please review these informational items, and I will be pleased to provide any additional detail as desired.

Board Matters:

- **Don Scott** - It is with great sadness that I inform you of the passing of Don Scott. Don worked as a highly regarded Controller of Pathway Homes for 16 years, and was an integral part of our Finance Department. Don worked with Brenda and our Board's Finance Committee during his time at Pathways, and was always admired for his character and competence. Don passed away on 12/22/13 in Winchester, VA. Memorial service will not be held until early spring.
- **Lauren Fox**- It is with great respect and appreciation of Lauren Fox that I announce that she has submitted her resignation from the position of VP of Clinical Services, due to medical reasons effective January 6, 2014. We are pleased to announce that Lauren has accepted a voluntary demotion to the position of MHC III, and will remain a part of our agency. Lauren's departure created a vacancy for a full time VP of Clinical services, which has been reclassified as a Senior Project Director to better address the needs of the agency. This position will be deployed to the CSB and work concurrently with Pathway Homes with designated duties. This position will not be a member of leadership team. The agency is currently undergoing restructuring, and succession planning to ensure the greatest effectiveness and efficiencies.
- The Philanthropy Committee report from Maiko Ashby, Treasurer's Report from Brenda Brennan, are provided as attachments. The Advocacy report is being prepared by Jennifer Mckenzie and will be provided prior to the Board meeting. Please review these three reports before the meeting; any questions or clarifications will be addressed during the meeting.
- Our annual audit was completed in July and August by The Cohn Reznick Group independent accounting firm. Winell Belfonte, Partner and Michelle Barnaby, Senior from the Group reported FY2013 Financial Statements to our Board Audit Committee on November 18 with impressive results. The exemplary work of our accounting team, led by Brenna Brennan, is to be applauded! Tom Rowe, Chair of our Audit committee, will report out at the board meeting.

- Pathway Homes purchased two 1-bedroom condos with grant dollars from the Virginia Department of Housing and Community Development Permanent Supportive Housing Program (SHP) competition award. This \$500,000 will ultimately be used to purchase two additional condos that will be added to our Shelter Plus Care inventory to provide additional housing and supports.
- Judge Anderson, of the United States District Court for the Eastern District of Virginia, heard the argument on motion and per his suggestion met to resolve through mediation the complaint against AJ Dwoskin and Assoc. This process was agreed upon to seek and obtain relief (ensuring for the housing of our consumers). Mediation occurred on 10/18/13. Legal representation was provided by Michael Allen of Relman, Dane & Colfax, PLLC. Full resolution to this claim and settlement has been made. "This Agreement and any negotiations or proceedings connected with it, shall not constitute or be construed as, or be deemed to be evidence of an admission of, or concession of any wrongdoing by either party hereto." Pathway Homes Inc. reports that the terms of the settlement are confidential in relation to our claim with Dwoskin. The matter has been settled without any admission of liability. Pathway Homes is satisfied with the settlement!
- The HUD Homeless Assistance grant process was significantly delayed again this year and continued to incorporate numerous changes under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH ACT) for our local Continuum of Care and the grant ranking and submission process in general. The HEARTH Act, enacted into law on May 20, 2009, consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revises the Emergency Shelter Grants program and renames it the Emergency Solutions Grants program. The HEARTH Act also codifies in law the Continuum of Care planning process. Pathways submitted 11 renewal Supportive Housing Program and Shelter Plus Care grants totaling **\$2,982,706.00**. These grants provide housing and support services for 196 residents in 13 homes and 127 apartments.
- Pathway Homes submitted a competitive grant pool application to the Virginia Housing Trust Fund. The application round was extremely competitive with 58 submissions requesting \$4,806,634 for the \$930,000 available. Applications scoring 76 points and above were offered grants. Pathways' application for Single Room Occupancy (SRO) Pre-Development and Viability Project scored 80 points. Pathway Homes was awarded the full request of the grant- \$100,000 for necessary pre-development and viability study of a large 53-unit complex Single Room Occupancy (SRO) project that has planned conversion to 68 units. Since this award, Pathway Homes, interviewed and selected E&G Group to offer predevelopment and development consulting services. The project is intended to purchase and redevelop the Sunrise Assisted Living building in Lorton. We will partner with Christian Relief Services (CRS) to develop and submit preliminary plans for the acquisition,

redevelopment and operation of the building. Predevelopment activities have resulted in the successful completion of two grants. One grant has been submitted to the Community Consolidated Funding Pool (CCFP) for **\$4.3 mil**, and a second request has been submitted to the DHCD Housing blueprint RFP totaling **\$5.8 mil** dollars. If successful, the project would greatly and positively impact the critical need for permanent supportive housing for homeless and provide workforce housing to adults in Fairfax County, many with severe disabilities.

- Two additional grants were submitted for CCFP funding for FY 2015-16. One grant in the amount of **\$270,480** was submitted for long term care services to 50 individuals with serious mental illness. A second grant requesting funding for services to promote self- sufficiency was submitted for **\$449,430** to provide services to an additional 50 individuals. Awards are anticipated to be announced in April 2014.
- Pathway Homes was awarded the contract for Mental Health Intensive Residential Services to operate an Assisted Living Facility (ALF) in Prince William, VA. In addition, Pathways was awarded the Community Services Block Grant (CSBG) from Prince William County for housing acquisition in the amount of **\$225,000** that will used with matching dollars to make this contract viable for operation. This was the first competitive housing grant initiated by Pathways in Prince William County, and we scored within the top three awardees, and granted the full amount available. We plan to seek additional funding from the Virginia Housing Development Authority, as well as grants from Wells Fargo (\$50,000), and Sun Trust (\$50,000). This contract between Pathways and Prince William County will be the **first in Pathways history!** Final contract has been approved and currently awaiting receipt. The operation of this contract will serve 8 individuals in a single family home, and will be the second Assisted Living Facility (ALF) run directly by Pathways.
- Pathway Homes responded to an RFP from the Fairfax Falls Church Community Services Board (CSB) to provide deployed clinical staff on an as needed basis. This proposal will provide Mental Health Counselors I and II to the CSB to improve the effectiveness and efficiencies within the behavioral health system. Announcement of award is expected within weeks.
- Pathway Homes submitted application for an **\$300,000** of CDBG funds through our Community Housing Development Organization (CHDO) Pathways to Recovery. This grant would purchase two 1-bedroom condos for persons with serious mental illness and co-occurring disabilities. This grant would identify previously homeless individuals who are currently receiving residential services or on the CSB waitlist and provide the supports necessary for them to step down to this less intensive environment.
- The Annual Resident Holiday Party was successfully held on the evening of December 5th at the Episcopal Church of the Epiphany in Herndon. Residents, family,

and friends enjoyed a night of dancing and entertainment. We are very grateful for all of the staff and volunteer efforts extended to make this event possible.

- The annual staff holiday party was held on December 13th at Piero's Corner Ristorante Italiano in Fairfax, VA. The event was well attended by staff and board members. Italian food and door prizes paired for a festive environment, with positive response and appreciation from those that attended.
- Pathways Homes has been selected as the **2013 Annual Housing Award winner in the best housing program or service category for the state of VA!** The Best Housing Program or Service category acknowledged a housing program or service that demonstrated innovative and creative efforts in providing services or assistance to citizens in need of help in meeting any aspect of housing needs. Pathway Homes submitted our innovative design for consumer-directed housing. Dan Gray, Chair, Sherry Meyers, and Sylisa Lambert-Woodard attended the conference with over 700 in attendance in Norfolk, VA on 11/21/13 to receive this award on behalf of the agency. **Way to go Pathways!!**

PATHWAY HOMES, INC.

Minutes of the Meeting of the Board of Directors October 14, 2013

The Annual meeting of the Board of Directors was held on October 14, 2013. Dan Gray called the meeting to order at 7:06 p.m. The following individuals were present and participated throughout the meeting:

MEMBERS

Dan Gray, Chair
Jennifer McKenzie, Vice-Chair
Tom Rowe, Secretary & Treasurer
Dara Aldridge
Maiko Ashby
Patrick Chaing
Emil Franks
Jennifer Judelsohn
Angie Lathrop
Jim Ross
Sue Zywokarte

STAFF

Sylisa Lambert-Woodard, President & CEO
Brenda F. Brennan, V.P. for Finance
Lauren Leventhal, Technology and Quality
Assurance Manager
Anna Smith, Director of Development and
Major Gifts

PRESENTATION

State of the Agency: Sylisa Lambert-Woodard presented the State of the Agency FY13 report via PowerPoint (enclosure in Board minutes book). It provided a look at the agency over the past fiscal year and included a SWOT analysis (strengths, weaknesses, opportunities, and threats). Dan commended the Agency and its staff for a job well done in expanding services.

MINUTES

Dan Gray called for a motion to approve the minutes from July 8, 2013 as presented. Jim Ross made a motion to approve, which was seconded by Jennifer M. and approved unanimously.

CEO Report – Dr. Sylisa Lambert-Woodard

No other comments in addition to the Addendum and the State of the Agency presentation.

TREASURER'S REPORT – Brenda Brennan

The Audit Committee will meet with Cohn Reznick on November 18th at 3:30p.m. This includes Tom, Jim, Angie and Dan. Others are welcome should they choose to attend.

CHAIRPERSON'S REPORT AND COMMENTS – Dan Gray

- Dwoskin situation summary from July/August distributed to the Board (enclosure in Board minutes book): there is another call scheduled on October 18th. The agency is not out-of-pocket for outside council.
- Thanks to everyone who attended the Board Retreat last week – it was a success
- Thanks to the Philanthropy committee for their behind-the-scenes work
- Dan ceded time to the Vice-Chair, Jennifer McKenzie, who passed out notes about Board Development and the Advisory Committee.

Jennifer:

- Board Development – The committee includes Jennifer M., Jim, Dan and Emil. Jennifer passed out her review of the themes from the self-assessment survey (enclosure in Board minutes book).
- Advocacy – The committee includes Jennifer M., Sue, Angie, Sylisa and Eleanor (three community members are also interested in joining). Angie will be helping Jennifer begin working on advocacy at the local and state level. A grant request is in for \$25,000 event to eradicate stigma which will be held in April/May 2015, if funded. The VA Community-Based Provider Coalition is a new group which Pathways has joined in order to help advocate with the support of other agencies similar to Pathways.

Dan asked the Board Development Committee to bring 2 or 3 concrete suggestions/steps for moving forward to the next Board meeting.

PHILANTHROPY COMMITTEE REPORT – Maiko Ashby and Patrick Chaing

In addition to the written Philanthropy Committee Report (enclosed in the Board minutes book), the committee noted the following:

- \$224,878 has been raised for the I.T. Campaign.
- Board members should register for the Help the Homeless Walk (HTH) and encourage others to attend. The committee would like 100% participation from the Board.
- The Board unanimously agreed: “The proceeds for the Help the Homeless Campaign will be allocated to the I.T. Fund.”
 - The Board had questions about applying pledges as well as the sponsorship levels for the HTH. Brenda clarified that audit regulations require that the donor or the Board must designate where funds are allocated. Tom clarified that there is a difference between allocating funds and spending them.

- Maiko suggests a 2014 calendar of major events so checks can be written at the correct time.
- “Thank you” to Jennifer J. for sponsoring the Summer of the Arts event where 9 pieces sold. About half of the Board was able to attend at either or both locations.
- *Steps to Pathways* is the third Thursday of each month from 10-11a.m. Past events have yielded \$5,000 in match funds for a computer training center.
- Corporate and Foundation info: Bank of America has provided a \$15,000 grant for renovations. Capital One provided \$10,000 for the computer training center.
- Two Pathways vans need replacing.

BOARD DEVELOPMENT – Dan Gray

Dan read the Officer slate as proposed by the Nominating Committee for the October 2013 – 2014 term:

Dan Gray – Chairperson
Jennifer McKenzie – Vice-Chair
Tom Rowe – Secretary/Treasurer

Jim moved that the re-election of the Directors be accepted as presented. This was seconded by Emil and approved unanimously.

The Nominating Committee recommended the following Board Members be re-elected for the three-year term of October 2013 - 2016:

Dara Aldridge
Maiko Ashby
Emil Franks

Tom moved that individuals recommended for three-year terms be re-elected as presented. This was seconded by Jim and approved unanimously.

In that in accordance with the amendment to the by-laws passed at the April 2012 meeting, the Nominating Committee recommends the extension of the January 2011 – April 2014 term until the next Annual Board meeting in October 2014 for:

Jennifer Judelsohn, LCSW

Emil moved to accept the extension as proposed. This was seconded by Tom and approved unanimously.

OLD BUSINESS –

There was no old business.

NEW BUSINESS –

1. **Director and Officer Insurance (D&O):** Information was requested about the policy at the retreat. A handout was provided to the Board (enclosure in the Board minutes book) showing claim protection up to \$1 million for directors and officers. This includes the cost to defend. Any limits that the Board wishes to purchase can be made; it depends on how much money they wish to expend. Currently, Pathways spends \$170 thousand per year in insurance, not including healthcare. Pathway Homes has never had a claim.
 - a. Angie asked if this is on-par with similar agencies, and Brenda replied that the agency's insurance brokerage recommends the current coverage as reasonable.
 - b. Jim asked how this would affect Board committees if they have non-Board members. Brenda responded that only named officers and members of the Board are covered by the D&O policy. Board committees are tasked solely with providing recommendations to the Board, but it is the Board's responsibility to make the final decisions.
 - c. If the Board is interested, Ben Thompkins, the broker, might be willing to give a presentation at a future meeting.
2. **Advocacy:** Jennifer M. has finished her statements concerning advocacy.
3. **Board Resolution on "Give or Get":** Dan asked that the Board read and review the proposed Resolution (enclosure in the Board minutes book). Jennifer McKenzie made a motion to approve the resolution as written. This was seconded by Jennifer Judelsohn and approved unanimously.

ANNOUNCEMENTS –

1. Dara requested a tour of older properties. Jennifer M. expressed concern that because Pathways consistently receives stellar scores on inspections, this would be "wading into the work of the CEO and Staff." Brenda noted that the HUD REAC inspection is "grueling." Pathways has never scored less than a 93 (A) – no health and safety issues. The property Dara is concerned about is owned by CRS and has had issues with a neighboring wall which has required lots of cooperation.
2. Resident Holiday Party will be held December 5, 2013 from 6-9p.m. at The Episcopal Church of the Epiphany in Herndon. Contact Anna to help.
3. The Staff Holiday Party will be held after the Resident party – date to be determined.

ADJOURNMENT

There being no further business, Patrick Chaing made a motion to adjourn the meeting. This was seconded by Tom Rowe and unanimously approved by the Board.

The meeting was adjourned at 9:15 p.m.

Respectfully submitted,

TREASURER'S REPORT-January 2014

Brenda Brennan, Vice President for Finance

The refinancing of the three HUD mortgages for Huntington Avenue, Mary Baldwin Drive and the Pioneer/Sheldon projects has been submitted directly to HUD for review from Berkadia Financial Services. We anticipate that it will move through the HUD process to a Firm Commitment to refinance within the next sixty days. We will continue to keep the Board updated on the process.

All of the audit work for Fiscal Year 2013 has been completed. Financial Statements and Tax Returns have all been submitted timely. The Board Audit Committee; Tom Rowe, Jim Ross and Dan Gray met with the auditors from the Cohn Reznick Group on Monday, November 18th to discuss the end of year results and audit process. Tom Rowe will present more information under Audit Committee.

The Housing Assistance Payments Contracts for; Huntington and Mary Baldwin renewals in January 2014 and the Pioneer and Sheldon renewal in February 2014 have been submitted and we were awarded a 1.0% increase in the monthly contract rent for each property for the next year.

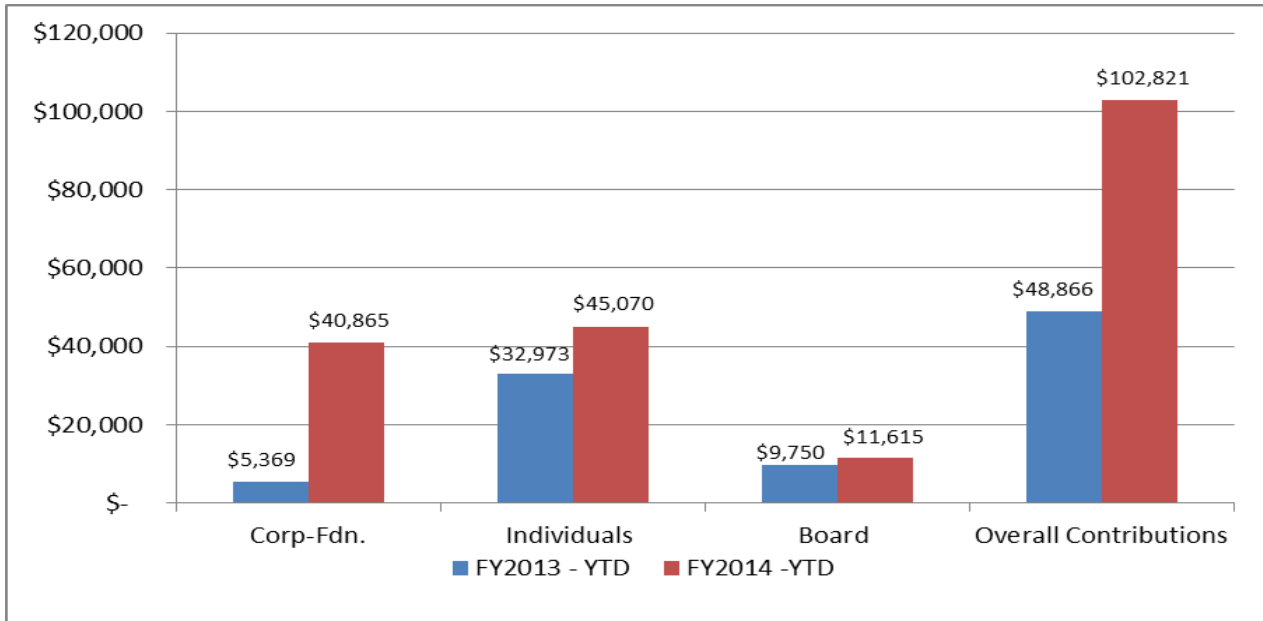
During the month of January the accounting team will be focused on the issuance of the annual 1099's and W-2's for employees along with end of year tax, payroll and withholding returns.

We are pleased to announce that the insurance premiums for the Dental plan with Care First, Health Care plan with Kaiser Permanente and Life insurance plan with Dearborn have all been renewed at the same rates as the expiring rates for the new plan years. This is the first time in Pathway Homes' history that there have not been any rate increases in any of the health care insurance plans.

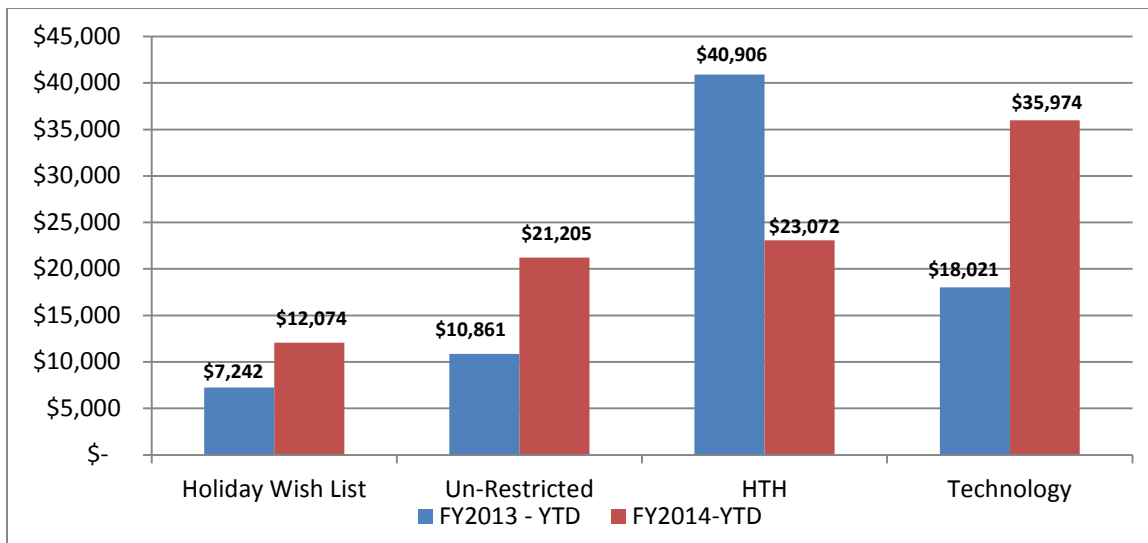
The members of the Accounting Team are grateful for the support, comfort and sympathies provided to them over the recent death of Don Scott, Controller. This is a huge loss for the agency and for Accounting Department. The staff has all demonstrated great strength and commitment to ensuring that the work gets completed timely and have been anxious to offer any assistance required. Plans for reassignment of duties and hiring of a replacement will begin later in the quarter.

Committee Members: Maiko Ashby, Chair, Patrick Chaing, Emil Franks, Sue Zywokarte and Jennifer Judelsohn

- FY2014 YTD Contribution Total (07/01/2013 -12/30/2013) - \$102,821 – 52% increase from this time last year. FY2013-YTD Second Quarter Contribution Total - \$48,866.



- *Corporate and Foundation Update:* FY2014 YTD: \$40,865 – 86% increase from this time last year. FY2013- YTD \$5,369
- *Individual Contributions (not including Board):* FY2014 YTD: \$45,070 – 27% increase from this time last year. FY2013 YTD: \$32,973
- *Board Contributions:* FY2014 YTD: \$11,615 – 13% increase from this time last year. This is 8 percent more than the full year total last year (\$10,630).
- **Thank you Board of Directors!**
 - In 2011, 33% of the board members made a financial contribution to Pathway Homes; 66% last year and **already 100% this year.**



➤ Campaign Updates:

- *Holiday Wish List*: FY2014 YTD: \$12,074 – 40% increase from last year. FY2013 - \$7,242.
- *Un-Restricted Funding*: FY2014 YTD: \$21,205.26 – 49% increase from this time last year. FY2013 - \$10,861
- *Technology Campaign*:
 - Campaign Total: \$269,068; Remaining Amount \$115,932 on \$385,000 goal.
 - FY2014 YTD: \$35,974 (including HTH \$46,539) – 50% increase (net 13% decrease once Fannie Mae HTH disbursement received) from this time last year. FY2013 YTD: \$18,021 (including HTH – \$53,757).
 - Net decrease from HTH campaign to IT fund mitigated by \$17,000 in grant funding received for Computer Training Center.
 - Plans to complete campaign include 2014 Help the Homeless Walk, grant requests, and Benevon Breakfast – March 2015.
- *Help the Homeless Campaign*: FY2014 YTD: \$23,072 - 44% drop from last year. Total: FY2013 - \$40,906- Significant drop in Fannie Mae walker and sponsorship incentives and sponsor contribution amount decreased due to timing of outreach and government shutdown.
 - Good news: 1) \$4,130 board sponsorship up from \$2,250 in FY2013; 2) new sponsors that may grow giving level next year; 3) more individual donations; and 4) more visibility at public walk this year with Congressman Connolly and media.
- *Karen Free Art and Recreation Recovery Fund*: FY2014: \$1,805 – 16% increase from last year. FY2013 - \$1,525.
- *Dental Fund*: Since inception in October of 2002, Pathway Homes has collected \$172,288 for the Dental Fund. Loans: \$38,926; Grants: \$21,348; Current balance: \$150,939. Over 100 consumers have utilized the fund since 2003 averaging around 10 consumers a year.

➤ As a follow-up from the October Board Retreat, we have prepared a 2014 board calendar with recommended due dates for financial contributions and participation. You received a copy in your Board Package. We have hard copies available here as well. I want to thank the philanthropic committee for their input and feedback on this document.

- “Steps to Pathways” is one of the items on the planning calendar. The majority of the board members have hosted a session this last year. We are starting to fill speaking slots for board members for 2014. Please see Anna to sign up to greet the guests at an upcoming session. Also, please consider inviting a contact to a session.

2014 Calendar																																
Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
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2014 Campaigns	
Help the Homeless/IT Campaign	If contributing financially to IT campaign through Help the Homeless, Board Members please fulfill pledges by October 30 If contributing financially to IT pledge only, Board Members please fulfill pledges by December 31, 2014
"Steps to Pathways"	Consider inviting a contact to one of the information sessions held 3rd Thursday of every month Consider serving as board host at one session during the year
Holiday Wish List	If contributing to Holiday Wish List, please contribute by December 31, 2014
Employee Giving U/W & America's Charities	If your company has employee giving program, please consider sharing Pathways U/W #8085 or CFC #41423 before November 15, 2014 (or whenever your annual campaign takes place)
Summer of the Arts	If planning to contribute to Karen Free Arts and Recreation Fund, please contribute by July 31, 2014 If interested in purchasing resident art, attend exhibit in July