

Silver Key Senior Services

Tuesday, December 12, 2017

| Agenda Items | Who | Action | Approximate Time |
|---|--------------------------|-------------|------------------|
| Call to Order, Introductions | Steve Baron | Information | 4:00 |
| Osteopathic Foundation | Guests | Information | 4:05 |
| Empty Stocking Fund | El Pomar | Information | 4:15 |
| Audit Presentation | Biggs Kofford | Decision | 4:25 |
| Presentation of Consent Agenda | Steve Baron | Decision | 4:45 |
| Minutes from October 17, 2017 CEO Report | | | |
| Finances | | Information | 4:50 |
| Operating Reserves Policy | Robyn Handy | Decision | |
| 2017/2018 Amended Budget | Cheryl Solze/Robyn Handy | Decision | |
| Committee Reports | | | 5:05 |
| Building Committee | | | |
| S. Murray Construction Update | Steve Baron/Pat Ellis | Information | |
| Lease Space Update | Pat Ellis | Information | |
| Land | Pat Ellis | Information | |
| Capital Campaign | Pat Ellis | Information | |
| Marketing Committee | Preston Briggs | Information | |
| Nominating Committee | | | |
| 2018 Slate of Officers | Arlene Stein | Decision | |
| Bylaws | Arlene Stein | Decision | |
| Old Business | | | 5:20 |
| 2017 Board Retreat Goals | Pat Ellis | Update | |
| New Business | | | 5:25 |
| Department of Justice Complaint | Deb Riden | Information | |
| Thank you to Julie Boswell & Steve Baron | Pat Ellis | | |

Board member login: skboard@silverkey.org

Password: sk-board@1625\$

The mission of Silver Key Senior Services is to serve in partnership with our stakeholders to support quality of life for seniors – allowing them the choice of safely aging in place with dignity and independence.

Silver Key Senior Services
Board of Directors Meeting
October 17, 2017

Board attendance

Carla Hartsell, Mary Ellen McNally, Jan Martin, Jolly Wall, Steve Baron, David Lord, Amy Silva-Smith, Lynne Jones, Steve Hunsinger and Becky Hurley

Staff attendance

Pat Ellis, Lorri Orwig, Robyn Handy, and Paula Humber

The meeting was called to order at approximately 4:02 pm by Chair, Steve Baron.

Consent Agenda

Steve Baron requested a motion to approve the consent agenda which includes the minutes from the September 19, 2017 meeting, the CEO Report and Upcoming Events. Lynne Jones moved to approve the consent agenda and it was seconded by David Lord. The motion was unanimously approved.

Financial Update

The financial summary included in the packet is the first quarter results.

- Cash flow for operating is a concern;
 - 2 new vans were purchased with a loan from the line of credit; 3 additional vehicles in the pipeline with CDOT
 - 80% reimbursement will be received from CDOT, but not for a few months
- Finance committee discussed use of operating reserves;
 - Establish a policy for use of operating reserves
 - Informal policy ideas discussed at Finance included Cash account \$200K; Operating Reserves at \$2.5M; new money goes to Endowment
- Revise/update budget for the remainder of the year as a result of first quarter closing numbers and will be presented at the December board meeting;
- Full reimbursement of the three months Silver Key agreed to self-fund may not be fully reimbursed by AAA at this time:
 - Funds have been allocated but not able to be released; unknown when we'll receive funding
 - Golden Circle would be 100% reimbursed (strictly Federal Funds)
 - currently reducing the number of rides and Case Management services, which are funded at 40%
 - we have some grants assisting with funding Case Management services
 - we received notification of a CDBG (Colorado Development Block Grant) grant for a driver position

Jolly Wally presented the motion, on behalf of the finance committee, to allow \$300,000 from the operating reserve funds be used to pay down the \$250,000 revolving line of credit and the remaining \$50,000 used for operating needs with the understanding that the AAA funds will repay the operating reserve when the funds are received. Mary Ellen McNally seconded the motion and the motion was unanimously approved.

Committee Updates:

Building Committee-

- Greccio project – currently on hold
- Tenant Leases – in negotiation
 - Allied Associates does not plan to renew – DOD contractor and moving to a space with like businesses
 - Peak Vista would need at least 3 years before moving forward to use space at Murray

- Nationwide & the Church will renew
- Land – looking at options for use of land to avoid paying property tax
 - A lot of interest in a community garden
 - Parking
- Bids received for floor damage due to sewer problem in suite 1625 and will proceed with repairs

Capital Campaign

- El Pomar declined our request for a second grant
- Lane Foundation doesn't expect to extend any funds until 2018
- David Lord plans on reaching out to top donors with a personalized letter
- Resume luncheons with Board members if there is interest; please notify Lorri
- Lorri Orwig is working on a direct mail piece to go out in November with a focus on the Enterprise Zone credits
- Outreach to vendors and community partners via phone calls by Lorri

Nominating Committee

- An increase of board positions will be put to vote at the December board meeting to change the By-laws
- Executive Committee suggests increasing board positions up to twenty-three
- Some discussion around combining Foundation with Operating
 - Investment & Development committees should be formed for a board this large
 - Endowments will continue in the same integrity should boards be combined
 - Will secure advice from Attorney Thomas James before implementing change
- Continue luncheons with representatives and people of influence in our area to increase interest and diversity

Marketing Fundraising Sub-Committee

- Meetings taking place regularly to discuss marketing and social media plans
 - What are we able to do with our present resources
 - Share and like Silver Keys' posts on Facebook to increase our social media presence
 - Lorri is meeting with KKTU to talk about Bountiful Bags and Silver Key

Old Business

- Board Retreat
 - Cathy Robbins agreed to be the facilitator
- Joint Dispatch Call Center
 - Silver Key's two receptionists remain at call center; little presence from the other agencies
 - The dollars disbursed from this program are too significant for Silver Key to pull out
 - The consultant hired by the City has been let go
 - Money for advertising came in for campaign "one number – one ride"

New Business

- Goodwill
 - Pat and Lorri met to discuss gaps in services to seniors
 - Provide space at Murray campus for their Adult Day Care program
 - Goodwill working on a feasibility study
- State Unit on Aging Audit
 - Audit was done last week for transportation and nutrition and went smoothly;
 - next week is the audit from Area Agency on Aging

- Financial audit to be completed in November by Biggs Kofford and presented at December board meeting

Closing discussions

- AAA Affordable Housing Conference
 - Boulder and Denver represented; part of tax base goes toward affordable housing
 - Big difference between affordable and low-income; often gets confused
 - Colorado continues to see an increase in the percentage of people spending 50% of income for housing while the percentage of homeowners decreases
 - David commented IIAC has had some meetings regarding affordable housing and see great synergy with the group with includes members of the Home Builders Association

Next Board meeting is December 12.

Meeting adjourned at 5:11 PM

Respectfully submitted,

/S/: _____
Arlene Stein, Secretary

/S/: _____
Paula Humber, Recorder

**Silver Key Senior Services
CEO Report – December 2017**

October/November Highlights

- Aspen Pointe co-located case manager at Silver Key
- Began the implementation process for new client management software
- 995 Golden Circle diners participated in the Thanksgiving lunch
- Annual presentation to the Area Agency on Aging Regional Advisory Council
- Site visit from the Colorado Health Foundation
- Attended the Colorado Non-Profit Association Conference
- Caring for Colorado Site visit
- Presentation to FEMA board for funding
- Annual Senger Design Food Drive

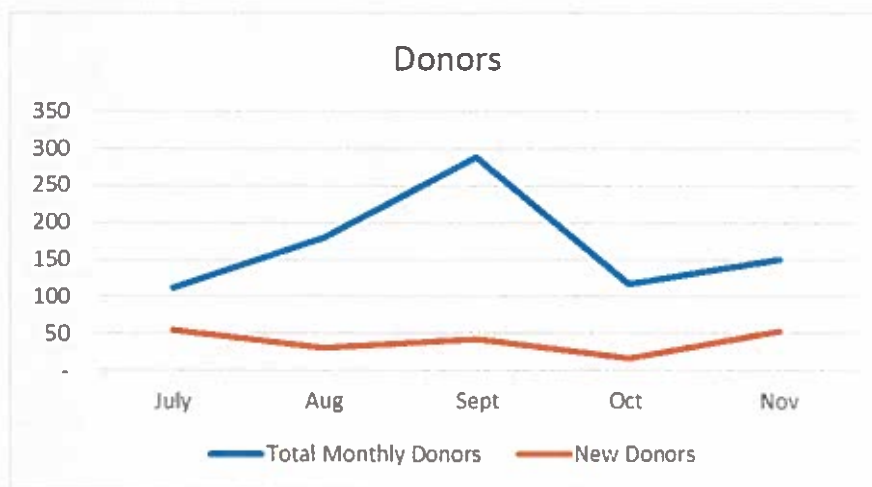
Murray

Allied will be moving at the end of December. This is one of the 2,000 sq. foot spaces in the west building. The other 2 tenants in the west building have renewed.

Construction continues in case management. Everything will be completing by the end of the month, with the exception of lighting – waiting on fixtures.

Resource Development

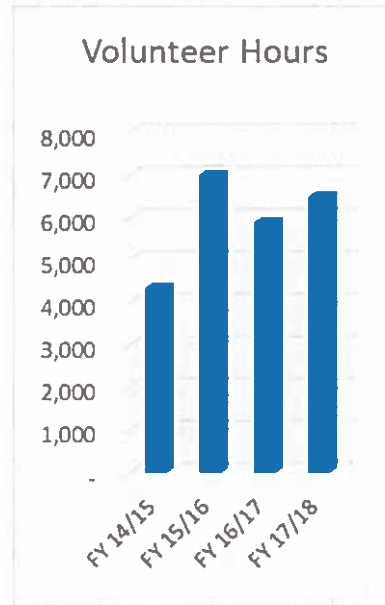
During the month of November we had a total of 150 donors. 53 were new and 9 made donations of more than \$100. July through November we received a total of 847 donations, 196 were from new donors and 41 of the donations exceeded \$100.



General Operations

Volunteers

538 volunteers provided services in November for a total of 6,621 hours. This has a financial value of \$25.10 per hour for a total of \$166,187 for the month. July – November the hours totaled 34,783 which is a 2,697 hour increase over the same time last year.



Human Resources

It is open enrollment time for benefits. Our benefits year begins December 1 for health, dental and vision. All other benefits are on a calendar year.

Our Grants Manager has taken a position with Mountain Metro Transit. We are in the process of hiring for this position.

Transportation

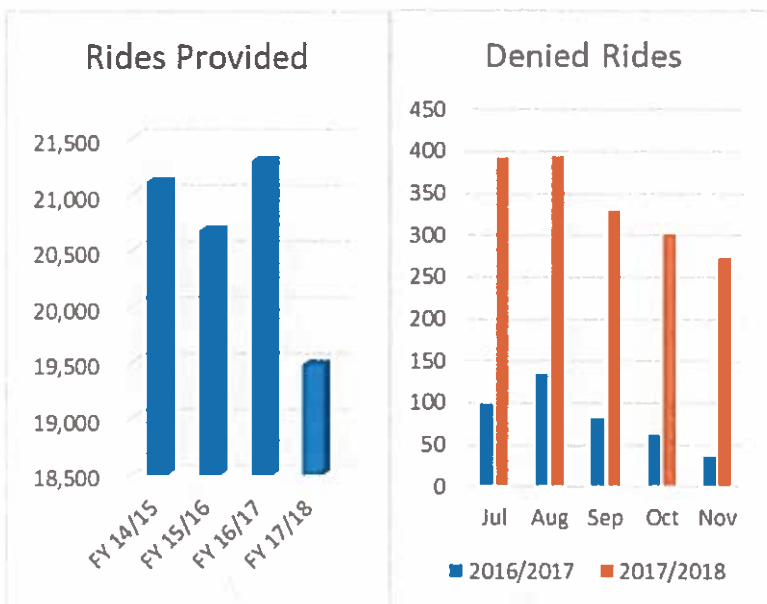
Mountain Metro has made the decision to put the Joint Dispatch and Call Center out for bid to a contractor. Our reservationists will be returning to Silver Key by mid-December. There continue to be challenges regarding the joint concept. At this time, we will continue to take calls that come to us directly and fund them with AAA money. The City will send us rides funded by them and we can then determine if they will fit into our schedule.

Until some additional decisions have been made regarding the funding of the call center, City and PPRTA funding contracts will be extended for an additional 6 months. The new contracts will reflect the specifics of how calls at the call center will be handled.

Due to the loss of homestead funding through the Area Agency on Aging, we have reduced the number of rides we can schedule each day. The rides are prioritized by type with medical, dialysis and grocery shopping being the highest priority.

We are continuing to pursue options to increase rides provided. Two grants have been submitted, one to the Moniker Foundation and the Colorado Springs Health Foundation, requesting funding for a feasibility study on having volunteer drivers provide rides in their own vehicles. This would increase capacity and be cost effective.

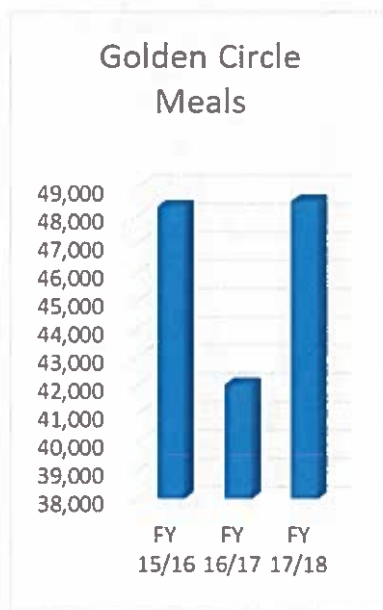
We provided an average of 163 rides per day in November, with a total of 3,090 rides. During the month we were unable to fulfill 273 requests. 1,433 rides were medical/dialysis and 599 for groceries. Transportation volunteers provided 50% of the rides in November.



Nutrition

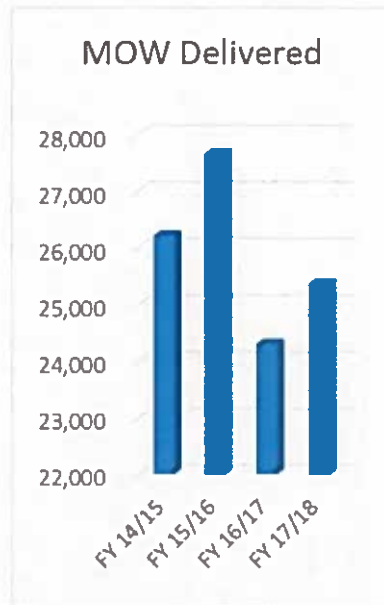
Golden Circle

During the month of September we served 9,450 meals compared to 8,112 last November. The program has now exceeded meals served to date since Silver Key acquired the program. 993 individuals participated in the Golden Circle Nutrition program and 7 of them were new to the program. Total food waste was \$3,074. We are seeking locations for 2 new sites, one in the Village Seven area and the other further Northeast. In addition, we have an initiative in place to increase the meals in the senior apartment complexes we already serve.



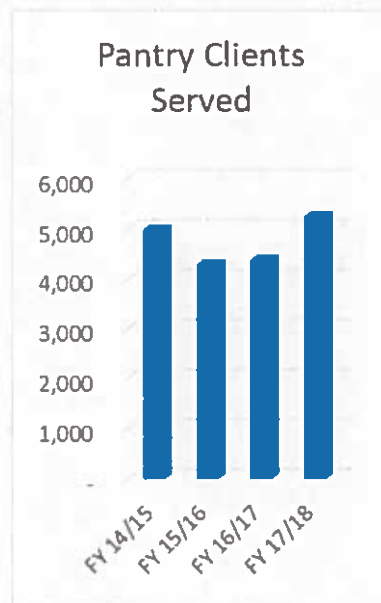
Meals on Wheels

5,151 meals were delivered in November – an increase of 321 meals over last November. July through November we have delivered 25,371 meals which is a 1,072 meal increase over last year same period. 312 individuals are currently enrolled in the program. For a community the size of Colorado Springs, we should have a much higher penetration rate for Meals on Wheels. Our focus for the next 12 months will be to increase the participation. A staff delivery person has been added to the new budget so we can respond more quickly as people enroll. This will enable us to eliminate a waitlist.



Pantry

During the month of November 978 commodities boxes, 29 emergency food bags and 1,010 emergency food assistance bags were distributed to 1,142 individuals. Currently 2,323 unduplicated individuals are enrolled in nutrition programs. The food donations during the months of October and November totaled 4,845 pounds of food.



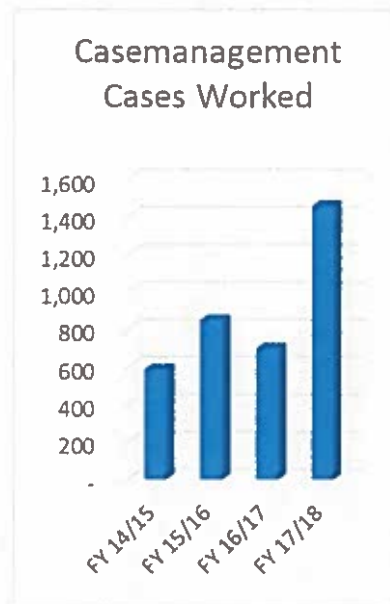
Case Management

The case managers provided services to 56 unduplicated new clients during the month of November. Total clients served and cases worked for the month was 307. Of these clients, 5 were identified as at risk for elder abuse. In addition, they completed 3 SOS assessments and 3 SOS intakes. 306 community individuals have been trained regarding SOS since July. The collaboration now includes Aspen Pointe as a partner for participants who require a higher level of mental health intervention and medication management.

Silver Key worked closely with many of the residents of Emerald Towers to provide support and assistance during their transition to new apartments.

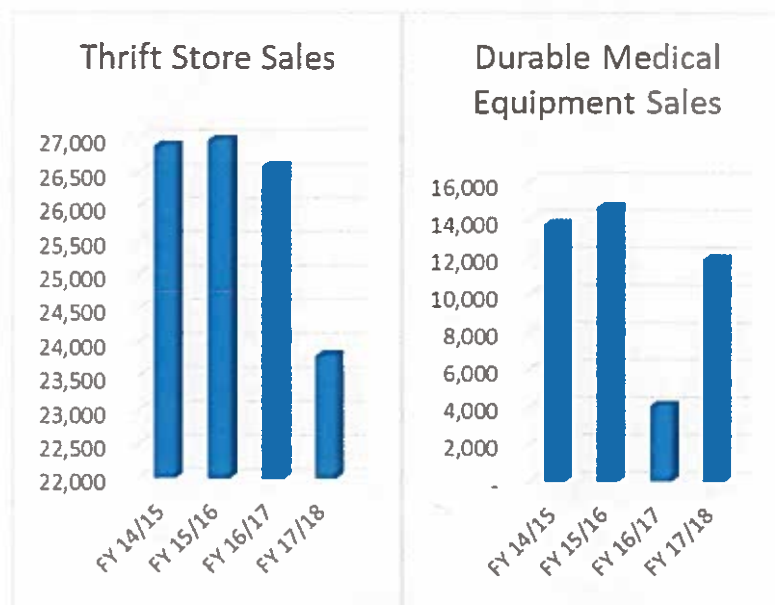
17 individuals contacted case management requesting emergency financial assistance – 8 for rent, 1 for medical. 11 of the requests were approved for a total of \$3,088. In addition, 11 people received COPE assistance.

We currently have 30 wards in guardianship who received 143 hours of service in November.



Retail

Year to date Thrift Store sales totaled \$23,808 with durable medical equipment sales at \$11,859.



Silver Key Senior Services, Inc.
Board-Designated Operating Reserves Policy

PURPOSE

The purpose of this statement is to formalize Silver Key Senior Services' policy for building and maintaining its Operating Reserves.

The general purpose of the fund is to improve the ability of the organization to continuously carry out its mission by:

1. Helping to ensure the long-term financial stability of the organization;
2. Positioning it to respond to varying economic conditions and changes affecting the organization's financial position;
3. Creating an internal line of credit to manage financial flexibility; and
4. Seizing strategic opportunities.

Operating Reserves are intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as investment in infrastructure. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an on-going budget gap.

This Operating Reserve Policy shall act in concert with the other governance and financial policies of Silver Key Senior Services, and is intended to support and strengthen the goals and strategies contained in these related policies and operational plans.

DEFINITIONS AND GOALS

The "Board-Designated Operating Reserve" is defined as the designated funds set aside by action of the Board of Directors for Operating Reserves. The amount of designated Operating Reserves will vary from period to period depending upon the then available funds. A maximum amount will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months, as well as to cover various capital needs. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum Board-Designated Operating Reserve is equal to six months of average operating costs as well as funds for capital improvements and acquisitions. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, office, travel, program, and on-going professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes some expenses (for example, pass-through programs, one-time or unusual expenses, and capital purchases).

The amount of the Board-Designated Operating Reserve Fund target minimum will be determined each year as part of the annual budget approval process. The Fund balance will be reported to the Finance Committee and Board of Directors on a regular basis, and included in financial reports.

By way of example, the following illustrates the two internal funds that when combined together, make up the composition of the Operating Reserve:

OPERATING RESERVE COMPOSITION



ACCOUNTING FOR RESERVES

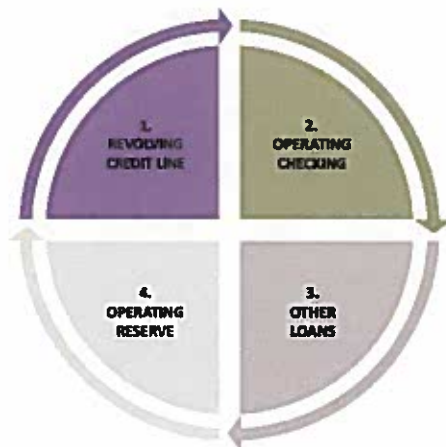
The Board-Designated Operating Reserve Fund will be recorded in the financial records as Board-Designated Operating Reserve. The Fund will be available as cash or marketable securities. Operating Reserves will not be commingled with the general operating cash of the organization. The Board-Designated Operating Reserves shall be invested prudently in accordance with Silver Key Senior Services' Investment Policy Statement. The Treasurer or CFO will report the status of the Board-Designated Operating Reserves to the Board as part of the regular Financial Report.

FUNDING OF RESERVES

The Board-Designated Operating Reserve Fund will be funded with surplus unrestricted operating funds, once the following criteria have been met:

1. Pay off any outstanding balance on the organization's revolving credit line; and
2. Reach the target minimum balance in the organization's operating checking account; and
3. Pay off any other loans or outstanding debts of the organization.

The Board of Directors may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.



If the Operating Reserve is less than 50% of the targeted reserve level for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus to help rebuild operating reserves back to its targeted reserve level. If however, the Operating Reserve balance has exceeded its target level, excess funds shall be considered for remittance to the organization's endowment.

USE OF RESERVES

The Use of the Operating Reserves requires three steps:

- 1. Identification of appropriate use of reserve funds.** The CEO will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using the reserves, and evaluation of the time period that the funds will be required and replenished.
- 2. Authority to use Operating Reserves.** The CEO will submit a request to use Operating Reserves to the Finance Committee of the Board of Directors. The request will include analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds to restore the Board-Designated Operating Reserves to the target minimum amount. The Finance Committee will review and recommend the request to the Board of Directors, who has authority to approve of the request.
- 3. Reporting and Monitoring.** The CEO and CFO are responsible for ensuring that the Board-Designated Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the Treasurer or CFO will report the status of the Board-Designated Operating Reserves to the Board as part of the regular Financial Report.

REVIEW OF POLICY

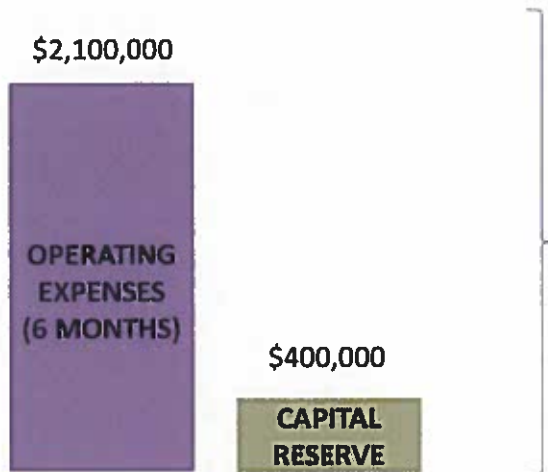
The Board-Designated Operating Reserve Policy will be reviewed every three years, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Directors.

Silver Key Senior Services, Inc.

Board-Designated Operating Reserve Targets

FY 2017-2018
\$2,500,000

OPERATING RESERVE COMPOSITION:



OPERATING EXPENSES – DURING THE CURRENT FISCAL YEAR, WE ANTICIPATE THAT 6 MONTHS OF OPERATING EXPENSES APPROXIMATES \$2,100,000.

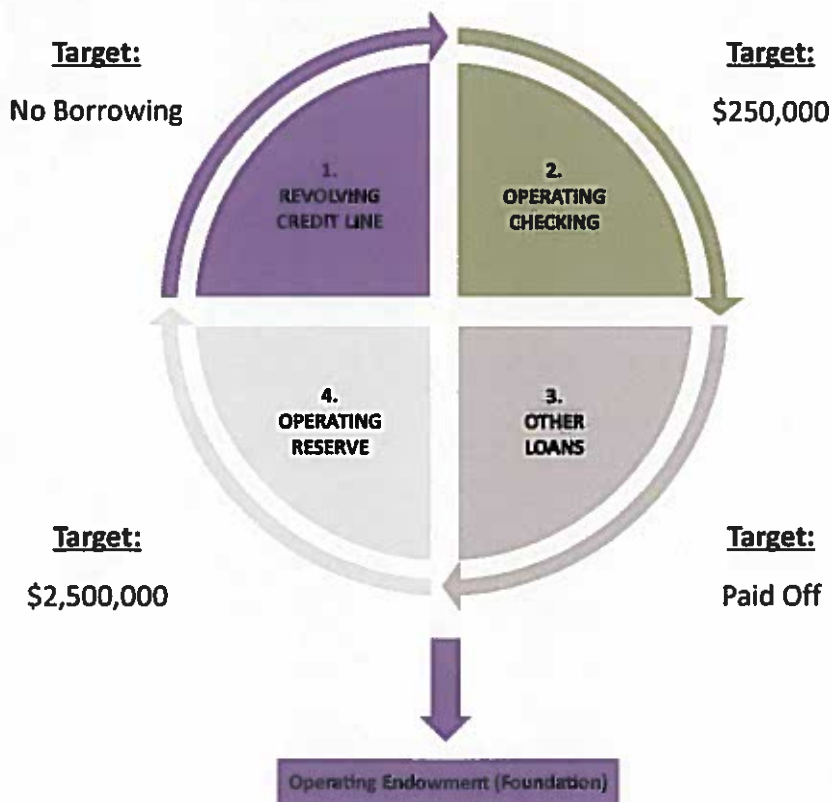
CAPITAL EXPENDITURES – DURING THE CURRENT YEAR, WE WOULD LIKE A TARGET MINIMUM OF \$400,000 FOR CAPITAL NEEDS TO INCLUDE;

>Vehicle Purchases

>Murray Campus Improvements – including tenant finish

(this does not include any capital campaign expenditures)

OPERATING RESERVE FUNDING:



1) First Priority is to pay-off Revolving Credit Line.

2) Second Priority is to build-up Operating Cash to an average daily balance of \$250,000.

3) Third Priority is to pay-off other debts (there are none in the current fiscal year; excluding capital campaign's building acquisition loan).

4) Fourth Priority in the current fiscal year is to maintain and replenish the Operating Reserves to \$2,500,000.

If all of the above are met, excess or surplus funds shall be considered for the Operating Endowment.

SILVER KEY

FY 2017-2018
BUDGET - REVISED



December 12, 2017

Silver Key Senior Services

Statement of Revenues and Expenditures
FY 2017-2018 BUDGET

| | ADJUSTED* | | | |
|---|------------------|------------------|--------------------|---------------|
| | (EXCL. IN-KIND) | | | |
| | ACTUAL | BUDGET | | |
| | FY 16-17 | FY 17-18 | Change \$ | Change % |
| OPERATING REVENUE | | | | |
| DONATIONS | 352,439 | 353,500 | 1,061 | 0.3% |
| SPECIAL EVENTS/SPONSORSHIPS | 153,476 | 157,900 | 4,424 | 2.9% |
| FOUNDATION SUPPORT | 347,982 * | 316,300 | (31,682) | -9.1% |
| DISTRIBUTIONS FROM TRUSTS | 178,241 | 127,500 | (50,741) | -28.5% |
| IN-KIND DONATIONS | - | - | - | n/a |
| TOTAL DONATIONS/SUPPORT | 1,032,139 | 955,200 | (76,939) | -7.5% |
| GOVERNMENT GRANTS | 1,757,188 | 1,846,260 * | 89,072 | 5.1% |
| OTHER GRANTS | 267,337 | 367,360 | 100,023 | 37.4% |
| TOTAL GRANTS | 2,024,525 | 2,213,620 | 189,095 | 9.3% |
| PROGRAM FEES | 563,967 | 555,370 | (8,597) | -1.5% |
| RETAIL STORE SALES | 81,266 | 97,850 | 16,584 | 20.4% |
| TOTAL PROGRAM REVENUE | 645,233 | 653,220 | 7,987 | 1.2% |
| TOTAL OPERATING REVENUE | 3,701,896 | 3,822,040 | 120,144 | 3.2% |
| OPERATING EXPENSES | | | | |
| SALARIES, TAXES AND BENEFITS | 2,174,162 | 2,429,425 | 255,263 | 11.7% |
| CASE MANAGEMENT/EMERGENCY ASST | 139,513 | 143,705 | 4,192 | 3.0% |
| TRANSPORTATION | 343,566 | 381,120 | 37,554 | 10.9% |
| MEALS ON WHEELS / GOLDEN CIRCLE | 618,836 | 697,415 | 78,579 | 12.7% |
| DEVELOPMENT | 33,365 | 66,930 | 33,565 | 100.6% |
| PROGRAM SUPPLIES | 46,458 | 50,460 | 4,002 | 8.6% |
| OFFICE EXPENSES/SUPPLIES | 41,536 | 33,660 | (7,876) | -19.0% |
| OCCUPANCY EXPENSES | 247,387 | 251,915 | 4,528 | 1.8% |
| OTHER GENERAL AND ADMINISTRATIVE | 180,709 | 200,220 * | 19,511 | 10.8% |
| TOTAL OPERATING EXPENSES | 3,825,532 | 4,254,850 | 429,318 | 11.2% |
| NET OPERATING INCOME BEFORE DEPRECIATION | (123,636) | (432,810) | (309,174) | 250.1% |
| DEPRECIATION AND AMORITIZATION | 501,921 | 531,145 | 29,224 | 5.8% |
| NET OPERATING INCOME | (625,557) | (963,955) | (338,398) | 54.1% |
| NON-OPERATING REVENUE/(EXPENSE) | | | | |
| BEQUESTS | 388,180 | 470,825 | 82,645 | 21.3% |
| BENEFICIAL INT IN TRUSTS - CHANGE | 453,271 | 72,065 | (381,206) | -84.1% |
| INVESTMENT INCOME - OPER INV, NET OF FEES | 173,582 | 82,825 | (90,757) | -52.3% |
| INVESTMENT INCOME - OTHER | (24,656) | (12,580) | 12,076 | -49.0% |
| LEASE INCOME, NET | 167,017 | 159,275 | (7,742) | -4.6% |
| DISPOSAL OF FIXED ASSETS | (536) | - | 536 | -100.0% |
| CAPITAL CAMPAIGN, NET | 891,987 | 221,545 | (670,442) | -75.2% |
| NON-OPERATING REVENUE/(EXPENSE) | 2,048,845 | 993,955 | (1,054,890) | -51.5% |
| TOTAL REVENUE OVER/(UNDER) EXPENSE | 1,423,288 | 30,000 | (1,393,288) | -97.9% |

*ADJUSTMENTS:

1) Foundation Support - this FY included 5 quarterly distributions from the Foundation, making the results incomparable - we adjusted the Q2 2016 payment out

2) Government Grants - this FY includes a one-time pass-through grant from CDOT for the marketing of the One Ride campaign; excluded the grant income and offsetting professional fees (\$50,000)

NOTES

Distributions from Trust - the Robinson trust dissolved in the prior year

Program Fees - we lost the Sterling Daycare lunch program this year (approximately \$40k), resulting in the net program fee decline.

Salaries and related -

> We have factored a modest (2%) cost of living adjustment; this is consistent with the increase in the Colorado minimum wage from \$10.00 to \$10.20/hr

> A few small salary adjustments for Supervisors/Managers to keep them in market range.

> Approximately 6 new hires with staggered starts to include the following positions;

- Marketing Manager (full-time)
- Meal Site Manager (x2) (part-time)
- Meals on Wheels staff (full-time)
- Facilities/Janitorial (part-time)
- Nutrition Assistant (part-time)

Development - increased marketing budget to grow donations, programs, sponsorship and general branding/awareness. The results of this investment may not be seen immediately.

Other General and Admin Fee - professional fees; due to the timing of when our Audit firm billed for the last Audit (2015), it was prior to the 16-17 FY (\$15k).

Silver Key Senior Services
Statement of Revenues and Expenditures
FY 2017-2018 BUDGET

| | Actual | Actual | Actual | Actual | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | YTD |
|---|----------------|------------------|-----------------|------------------|----------------|----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|-----------------|------------------|
| | Jul 2017 | Aug 2017 | Sep 2017 | Oct 2017 | Nov 2017 | Dec 2017 | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jun 2018 | Jun 2018 | |
| OPERATING REVENUE | | | | | | | | | | | | | | | |
| DONATIONS | 8,913 | 18,406 | 8,733 | 14,632 | 21,315 | 136,500 | 52,000 | 15,000 | 19,500 | 18,500 | 17,500 | 22,500 | 22,500 | 22,500 | 353,500 |
| SPECIAL EVENTS/SPONSORSHIPS | 2,000 | 4,250 | 119,900 | 517 | 1,753 | 1,760 | 4,530 | 6,200 | 6,200 | 5,190 | 2,800 | 2,800 | 2,800 | 2,800 | 157,900 |
| FOUNDATION SUPPORT | 26,300 | 26,300 | 26,600 | 26,700 | 26,300 | 26,300 | 26,300 | 26,300 | 26,300 | 26,300 | 26,300 | 26,300 | 26,300 | 26,300 | 316,300 |
| DISTRIBUTIONS FROM TRUSTS | 10,687 | 10,687 | 10,614 | 10,687 | 10,626 | 10,600 | 10,600 | 10,600 | 10,600 | 10,600 | 10,600 | 10,600 | 10,600 | 10,600 | 127,500 |
| IN-KIND DONATIONS | | | | | | | | | | | | | | | |
| TOTAL DONATIONS/SUPPORT | 47,900 | 59,643 | 165,847 | 52,536 | 59,995 | 175,160 | 93,430 | 58,100 | 62,600 | 60,590 | 57,200 | 62,200 | 62,200 | 62,200 | 955,200 |
| GOVERNMENT GRANTS | 164,870 | 138,436 | 149,745 | 174,691 | 211,877 | 177,510 | 133,880 | 131,170 | 127,880 | 148,870 | 155,440 | 181,890 | 181,890 | 181,890 | 1,896,260 |
| OTHER GRANTS | 110,298 | 2,011 | 4,290 | 36,369 | 76,792 | 21,800 | 10,300 | 45,300 | 5,300 | 38,300 | 8,300 | 8,300 | 8,300 | 8,300 | 367,360 |
| TOTAL GRANTS | 275,168 | 140,447 | 154,035 | 211,060 | 288,669 | 199,310 | 144,180 | 176,470 | 133,180 | 187,170 | 163,740 | 190,190 | 190,190 | 190,190 | 2,263,620 |
| PROGRAM FEES | 44,994 | 47,077 | 42,314 | 53,828 | 41,517 | 44,200 | 45,910 | 43,075 | 48,290 | 47,010 | 49,120 | 48,035 | 48,035 | 48,035 | 555,370 |
| RETAIL STORE SALES | 6,985 | 7,736 | 7,156 | 7,048 | 7,945 | 9,000 | 8,000 | 8,500 | 8,500 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 97,850 |
| TOTAL PROGRAM REVENUE | 51,959 | 54,813 | 49,469 | 60,876 | 49,463 | 53,200 | 53,910 | 51,575 | 56,790 | 56,010 | 58,120 | 57,035 | 57,035 | 57,035 | 653,220 |
| TOTAL OPERATING REVENUE | 375,027 | 254,903 | 369,352 | 324,472 | 398,127 | 427,670 | 291,520 | 286,145 | 252,570 | 303,770 | 279,060 | 309,425 | 309,425 | 309,425 | 3,872,040 |
| OPERATING EXPENSES | | | | | | | | | | | | | | | |
| SALARIES, TAXES AND BENEFITS | 191,154 | 201,932 | 194,557 | 192,220 | 197,007 | 194,585 | 215,195 | 195,875 | 213,065 | 205,015 | 222,165 | 206,655 | 206,655 | 206,655 | 2,429,425 |
| CASE MANAGEMENT/EMERGENCY ASST | 10,587 | 13,499 | 8,502 | 13,872 | 13,225 | 14,140 | 11,640 | 11,640 | 11,650 | 11,650 | 11,650 | 11,650 | 11,650 | 11,650 | 143,705 |
| TRANSPORTATION | 34,497 | 32,612 | 36,829 | 31,161 | 29,811 | 30,910 | 30,060 | 31,060 | 30,545 | 31,545 | 30,545 | 31,545 | 31,545 | 31,545 | 381,120 |
| MEALS ON WHEELS / GOLDEN CIRCLE | 49,956 | 64,548 | 54,431 | 55,341 | 50,389 | 50,530 | 54,930 | 51,690 | 61,870 | 64,900 | 69,880 | 68,950 | 68,950 | 68,950 | 697,415 |
| DEVELOPMENT | - | 1,997 | 34,976 | 957 | 1,750 | 1,750 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 | 66,930 |
| PROGRAM SUPPLIES | 2,704 | 5,033 | 5,874 | 6,049 | 4,000 | 4,000 | 3,800 | 3,800 | 3,800 | 3,800 | 3,800 | 3,800 | 3,800 | 3,800 | 66,930 |
| OFFICE EXPENSES/SUPPLIES | 4,102 | 3,697 | 3,235 | 3,279 | 2,597 | 2,600 | 2,350 | 2,350 | 2,350 | 2,350 | 2,350 | 2,400 | 2,400 | 2,400 | 33,660 |
| OCCUPANCY EXPENSES | 26,108 | 20,656 | 21,198 | 23,144 | 21,719 | 22,030 | 19,630 | 19,630 | 19,700 | 19,700 | 19,700 | 19,700 | 19,700 | 19,700 | 251,915 |
| OTHER GENERAL AND ADMINISTRATIVE | 15,211 | 12,872 | 15,413 | 57,080 | 21,795 | 32,270 | 17,100 | 20,650 | 14,355 | 15,725 | 14,425 | 13,325 | 13,325 | 13,325 | 250,220 |
| TOTAL OPERATING EXPENSES | 334,320 | 356,846 | 375,014 | 383,103 | 342,292 | 352,815 | 358,955 | 340,945 | 361,585 | 358,935 | 378,265 | 361,775 | 361,775 | 361,775 | 4,304,850 |
| NET OPERATING INCOME BEFORE DEPRECIATION | 40,707 | (101,943) | (5,662) | (58,632) | 55,835 | 74,855 | (67,435) | (54,800) | (109,015) | (55,165) | (99,205) | (52,350) | (52,350) | (52,350) | (432,810) |
| DEPRECIATION AND AMORTIZATION | 44,600 | 44,642 | 44,698 | 44,698 | 46,602 | 43,515 | 42,815 | 43,915 | 43,915 | 43,915 | 43,915 | 43,915 | 43,915 | 43,915 | 531,145 |
| NET OPERATING INCOME | (3,893) | (146,585) | (50,360) | (103,330) | 9,233 | 31,340 | (110,250) | (98,715) | (152,930) | (99,080) | (143,120) | (96,265) | (96,265) | (96,265) | (963,955) |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | | | | | | | |
| BEQUESTS | 470,063 | 763 | - | - | (1) | - | - | - | - | - | - | - | - | - | 470,825 |
| BENEFICIAL INT IN TRUSTS - CHANGE | - | - | 72,064 | - | 1 | - | - | - | - | - | - | - | - | - | 72,065 |
| INVESTMENT INCOME - OPER INV, NET OF FEES | 25,076 | 4,212 | 25,799 | 14,097 | 2,342 | 2,550 | 325 | 2,025 | 2,025 | 325 | 2,025 | 2,025 | 2,025 | 2,025 | 82,825 |
| INVESTMENT INCOME - OTHER | (6,024) | (5,705) | (6,535) | (317) | (999) | 2,000 | 3,000 | 2,000 | - | - | - | - | - | - | (12,580) |
| LEASE INCOME, NET | 15,095 | 8,569 | 20,593 | 21,209 | 17,818 | 15,820 | 12,510 | 16,150 | 1,970 | 4,670 | 12,430 | 12,440 | 12,440 | 12,440 | 159,275 |
| DISPOSAL OF FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CAPITAL CAMPAIGN, NET | 43,951 | 4,361 | 100,226 | (639) | 5,746 | 25,200 | 6,400 | 6,600 | 10,800 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 221,545 |
| NON-OPERATING REVENUE/(EXPENSE) | 548,162 | 12,200 | 212,148 | 34,349 | 24,907 | 45,570 | 22,235 | 26,775 | 14,795 | 11,295 | 20,755 | 20,765 | 20,765 | 20,765 | 993,955 |
| TOTAL REVENUE OVER/(UNDER) EXPENSE | 544,269 | (134,386) | 161,788 | (68,981) | 34,140 | 76,910 | (88,015) | (71,940) | (138,135) | (87,785) | (122,365) | (75,500) | (75,500) | (75,500) | 30,000 |

Silver Key Senior Services



FINANCIAL PACKAGE

OCTOBER 2017



Executive Summary



October Results: (\$69k) vs. (\$24k) budget / YTD \$503k vs. \$29k Budget

- Donations and Sponsorships continue to run soft compared to budget. We will be revising our forecast for the remainder of the year with the budget revisions in December. YTD we are down 20% from budget. We do expect this to pick-up in Nov/Dec with year-end giving.
- Government grants: on track YTD, will need to slow reimbursements through fiscal year-end due to cash flow constraints at the PPACG. City and RTA transportation contracts, both calendar-year contracts, are fully drawn at the end of October. Included in YTD results are pass-through funds from the City for the Joint Dispatch and Call Center (JDCC); which includes \$50k in funding to Madwoman Consulting for Marketing the JDCC. These pass-through funds skew our results.
- Program Fees: while on track for the month of October, they are still 10% below budget on a YTD basis. These results are primarily due to the loss of our meal contract with Sterling Adult Daycare (\$3k/mo).
- Payroll and related expenses – our largest expense as a category (59.5% of the annual budget); has been running slightly ahead of budget \$12k, or 2% YTD, however we made progress in the month of October by keeping a few positions vacant (ie. a FT driver position) until year-end due to lack of City/RTA funding.
- Other Operating Expenses: YTD are \$101k, or 7.8% above budget (excl pass-through's) ; all areas
- Capital campaign has raised approximately \$148k net since July 1st.
- Operating cash flows continue to present challenges – relief has been provided since we utilized \$300k of Operating Reserves to payoff the RLOC (\$250k) and deposit to Operating Checking (\$50k). We are still waiting on 2 major reimbursements from the City for Madwoman Marketing funds as well as CDOT funds for 2 new vans (\$130k total). We anticipate year-end donations will help build-up cash reserves.
- Revised 2017-2018 Budget will be presented at the December board meeting.

WHAT CAN WE AFFECT? WHERE CAN WE GROW?

Generally we will have no problem exhausting all grant and contract funds in place today for Transportation services and Case Management and related services. We do continue to provide services above and beyond current funding to 1) demonstrate need, and 2) make ourselves available for new and emergency or one-time grants (ie. ADRC grant). We have narrowed-in on two programs that we feel have funding growth potential;

✓ Golden Circle: potential service-level shortfall compared to available funding. Golden Circle meal counts continue to show a positive trend (meals per program day). As of November 1st, we have closed 2 of the 20 sites (Hillside Comm. Center and Otis Park); we are actively looking for new site locations and evaluating existing low turn-out sites. We are serving 95% of goal and if "carry-over" funding becomes available (we were told there was approx. \$200k in the pipeline), we would be even farther behind.

✓ Meals on Wheels: not Federally funded program; we have paying clients (80%). We have only approximately 255 active clients and feel that can be increased significantly. There is also the potential to carve-out neighborhoods and seek Federal funds under a new MOW program contract through the PPACG.

We are looking into both of these areas as we head into the new year, making them a focus for 2018 with the hopes to see early positive results in 2H of our current fiscal year.

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Silver Key Senior Services

Statement of Revenues and Expenditures
FY 2017-2018

| | Actual YTD Oct 2017 | Budget YTD Oct 2017 | \$ Variance | % Variance |
|---|------------------------|------------------------|------------------|----------------|
| OPERATING REVENUE | | | | |
| DONATIONS | 50,685 | 67,538 | (16,853) | -25.0% |
| SPECIAL EVENTS/SPONSORSHIPS | 126,667 | 175,000 | (48,333) | -27.6% |
| FOUNDATION SUPPORT | 105,900 | 118,664 | (12,764) | -10.8% |
| DISTRIBUTIONS FROM TRUSTS | 42,674 | 42,332 | 342 | 0.8% |
| IN-KIND DONATIONS | - | - | - | 0.0% |
| TOTAL DONATIONS/SUPPORT | 325,925 | 403,534 | (77,609) | -19.2% |
| GOVERNMENT GRANTS | 627,743 | 587,668 | 40,075 | 6.8% |
| OTHER GRANTS | 152,968 | 55,200 | 97,768 | 177.1% |
| TOTAL GRANTS | 780,711 | 642,868 | 137,843 | 21.4% |
| PROGRAM FEES | 188,213 | 207,920 | (19,707) | -9.5% |
| RETAIL STORE SALES | 28,905 | 35,000 | (6,095) | -17.4% |
| TOTAL PROGRAM REVENUE | 217,117 | 242,920 | (25,803) | -10.6% |
| TOTAL OPERATING REVENUE | 1,323,753 | 1,289,322 | 34,431 | 2.7% |
| OPERATING EXPENSES | | | | |
| SALARIES, TAXES AND BENEFITS | 779,863 | 768,112 | 11,751 | 1.5% |
| CASE MANAGEMENT/EMERGENCY ASST | 46,460 | 50,596 | (4,136) | -8.2% |
| TRANSPORTATION | 135,099 | 87,536 | 47,563 | 54.3% |
| MEALS ON WHEELS / GOLDEN CIRCLE | 224,276 | 210,672 | 13,604 | 6.5% |
| DEVELOPMENT | 37,930 | 34,500 | 3,430 | 9.9% |
| PROGRAM SUPPLIES | 19,660 | 12,458 | 7,202 | 57.8% |
| OFFICE EXPENSES/SUPPLIES | 14,313 | 10,332 | 3,981 | 38.5% |
| OCCUPANCY EXPENSES | 91,106 | 75,816 | 15,290 | 20.2% |
| OTHER GENERAL AND ADMINISTRATIVE | 100,575 | 52,106 | 48,469 | 93.0% |
| TOTAL OPERATING EXPENSES | 1,449,283 | 1,302,128 | 147,155 | 11.3% |
| NET OPERATING INCOME BEFORE DEPRECIATION | (125,530) | (12,806) | (112,724) | 880.2% |
| DEPRECIATION AND AMORTIZATION | 178,638 | - | 178,638 | n/a |
| NET OPERATING INCOME | (304,168) | (12,806) | (291,362) | 2275.2% |
| NON-OPERATING REVENUE/(EXPENSE) | | | | |
| BEQUESTS | 470,826 | 16,668 | 454,158 | 2724.7% |
| BENEFICIAL INT IN TRUSTS - CHANGE | 72,064 | - | 72,064 | |
| INVESTMENT INCOME - OPER INV, NET OF FEES | 69,183 | 10,500 | 58,683 | 558.9% |
| INVESTMENT INCOME - OTHER | (18,581) | - | (18,581) | |
| LEASE INCOME, NET | 65,467 | 13,868 | 51,599 | 372.1% |
| DISPOSAL OF FIXED ASSETS | - | 1,000 | (1,000) | -100.0% |
| CAPITAL CAMPAIGN, NET | 147,899 | - | 147,899 | |
| NON-OPERATING REVENUE/(EXPENSE) | 806,858 | 42,036 | 764,822 | 1819.4% |
| TOTAL REVENUE OVER/(UNDER) EXPENSE | 502,690 | 29,230 | 473,460 | 1619.8% |

Silver Key Senior Services
Statement of Revenues and Expenditures
FY 2017-2018 ACTUAL

| | Jul 2017 | Aug 2017 | Sep 2017 | Oct 2017 | Nov 2017 | Dec 2017 | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | YTD |
|---|----------------|------------------|-----------------|------------------|----------|----------|----------|----------|----------|----------|----------|----------|------------------|
| OPERATING REVENUE | | | | | | | | | | | | | |
| DONATIONS | 8,913 | 18,406 | 8,733 | 14,632 | - | - | - | - | - | - | - | - | 50,685 |
| SPECIAL EVENTS/SPONSORSHIPS | 2,000 | 4,250 | 119,900 | 517 | - | - | - | - | - | - | - | - | 126,667 |
| FOUNDATION SUPPORT | 26,300 | 26,300 | 26,600 | 26,700 | - | - | - | - | - | - | - | - | 105,900 |
| DISTRIBUTIONS FROM TRUSTS | 10,687 | 10,687 | 10,614 | 10,687 | - | - | - | - | - | - | - | - | 42,674 |
| IN-KIND DONATIONS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL DONATIONS/SUPPORT | 47,900 | 59,643 | 165,847 | 52,536 | - | - | - | - | - | - | - | - | 325,925 |
| GOVERNMENT GRANTS | 164,870 | 138,436 | 149,745 | 174,691 | - | - | - | - | - | - | - | - | 627,743 |
| OTHER GRANTS | 110,298 | 2,011 | 4,290 | 36,369 | - | - | - | - | - | - | - | - | 152,968 |
| TOTAL GRANTS | 275,168 | 140,447 | 154,035 | 211,060 | - | - | - | - | - | - | - | - | 780,711 |
| PROGRAM FEES | 44,994 | 47,077 | 42,314 | 51,828 | - | - | - | - | - | - | - | - | 188,213 |
| RETAIL STORE SALES | 6,965 | 7,736 | 7,156 | 7,048 | - | - | - | - | - | - | - | - | 28,905 |
| TOTAL PROGRAM REVENUE | 51,959 | 54,813 | 49,469 | 60,876 | - | - | - | - | - | - | - | - | 217,117 |
| TOTAL OPERATING REVENUE | 375,027 | 254,903 | 369,352 | 324,472 | - | - | - | - | - | - | - | - | 1,323,753 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| SALARIES, TAXES AND BENEFITS | 191,154 | 201,932 | 194,557 | 192,220 | - | - | - | - | - | - | - | - | 779,863 |
| CASE MANAGEMENT/EMERGENCY ASST | 10,587 | 13,499 | 8,502 | 13,872 | - | - | - | - | - | - | - | - | 46,460 |
| TRANSPORTATION | 34,497 | 32,612 | 36,829 | 31,161 | - | - | - | - | - | - | - | - | 135,099 |
| MEALS ON WHEELS / GOLDEN CIRCLE | 49,956 | 64,548 | 54,431 | 55,341 | - | - | - | - | - | - | - | - | 224,276 |
| DEVELOPMENT | - | 1,997 | 34,976 | 957 | - | - | - | - | - | - | - | - | 37,930 |
| PROGRAM SUPPLIES | 2,704 | 5,033 | 5,874 | 6,049 | - | - | - | - | - | - | - | - | 19,660 |
| OFFICE EXPENSES/SUPPLIES | 4,102 | 3,697 | 3,235 | 3,279 | - | - | - | - | - | - | - | - | 14,313 |
| OCCUPANCY EXPENSES | 26,108 | 20,656 | 21,198 | 23,144 | - | - | - | - | - | - | - | - | 91,106 |
| OTHER GENERAL AND ADMINISTRATIVE | 15,211 | 12,872 | 15,413 | 57,080 | - | - | - | - | - | - | - | - | 100,575 |
| TOTAL OPERATING EXPENSES | 334,320 | 356,846 | 375,014 | 383,103 | - | - | - | - | - | - | - | - | 1,449,283 |
| NET OPERATING INCOME BEFORE DEPRECIATION | 40,707 | (101,943) | (5,662) | (58,632) | - | - | - | - | - | - | - | - | (125,530) |
| DEPRECIATION AND AMORTIZATION | 44,600 | 44,642 | 44,698 | 44,698 | - | - | - | - | - | - | - | - | 178,638 |
| NET OPERATING INCOME | (3,893) | (146,585) | (50,350) | (103,330) | - | - | - | - | - | - | - | - | (304,168) |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | | | | | |
| REQUESTS | 470,063 | 763 | - | - | - | - | - | - | - | - | - | - | 470,826 |
| BENEFICIAL INT IN TRUSTS - CHANGE | - | - | 72,064 | - | - | - | - | - | - | - | - | - | 72,064 |
| INVESTMENT INCOME - OPER INV, NET OF FEES | 25,076 | 4,212 | 25,799 | 14,097 | - | - | - | - | - | - | - | - | 69,183 |
| INVESTMENT INCOME - OTHER | (6,024) | (5,705) | (6,535) | (317) | - | - | - | - | - | - | - | - | (18,581) |
| LEASE INCOME, NET | 15,095 | 8,569 | 20,593 | 21,209 | - | - | - | - | - | - | - | - | 65,467 |
| DISPOSAL OF FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CAPITAL CAMPAIGN, NET | 43,951 | 4,361 | 100,226 | (639) | - | - | - | - | - | - | - | - | 147,899 |
| NON-OPERATING REVENUE/(EXPENSE) | 548,162 | 12,200 | 212,148 | 34,349 | - | - | - | - | - | - | - | - | 806,858 |
| TOTAL REVENUE OVER/(UNDER) EXPENSE | 544,269 | (134,386) | 161,788 | (68,981) | - | - | - | - | - | - | - | - | 502,680 |

October/November 2017 Key Factors Report

Resource Development

Capital Campaign:

Raised/Pledged to Date: \$4,619,290

Left to Raise: \$ 880,710

Highlight: Enterprise Zone designation approved through Dec 2019.

Program Updates

Volunteers:

The Volunteer Appreciation BBQ took place in October and was a great success
Secured a new Gerontology Intern for Case Management in November
544 volunteers donated 7426 hours in October
538 volunteers donated 6620.7 hours in November

Events:

Vendor table at the Gazette's Senior Life Expo (Oct 7)
Vendor table at the VA clinic open house (Oct 13)
Caregiver Series (Oct 24)
Kicked off Bountiful Bags in November (Nov 8)
Caregiver Series (Nov 15)
Subaru Share the Love Campaign kicked off (Nov16)
Giving Tuesday (Nov 28)

Marketing/PR:

Press Release Key Benefits Launch (Oct 2)
Press Release Project Warm Wheels and PPMCA (Oct 10)
KAAA Bountiful Bags coverage (Oct 25)
KKTU interview for Bountiful Bags (Oct 25)
KKTU interview for Emerald Towers (Nov 9)
KRDO Radio interview – Season of Giving (Nov 21)

Graphic Design:

Nutrition Calendars
CC Direct Mail piece
CC Insider's Report
Annual Report

Buck slip Inserts –November and December

Social Media Website

| Month | Total Users | % of New Users | #1 Most Used Key Word | #2 Most Used Key Word | # of Newsletter Sign Ups | # of Newsletter unsubscribed | Visits/Sessions | Pageviews | Pages per Visit | Average Time | Bounce Rate |
|----------|-------------|----------------|-----------------------|--------------------------------|--------------------------|------------------------------|-----------------|-----------|-----------------|--------------|-------------|
| October | 2,143 | 65.48% | 96.28% not provided | 0.73% not set | 48 | 9 | 2,871 | 8,137 | 2.83 | 0:02:39 | 43.19% |
| November | 1,982 | 68.30% | 96.05% not provided | 0.93% volunteer for silver key | 27 | 14 | 2,570 | 6,893 | 2.68 | 0:02:33 | 43.74% |

Facebook

| Month | Lifetime Total Likes | New Likes | Unlikes | Page Engaged Users | Total Reach | Organic/viral Reach | Paid Reach | Total Impressions | Organic/Viral impressions | Paid impressions | Date Most View Post | Most View Post Total | Most View Post |
|----------|----------------------|-----------|---------|--------------------|-------------|---------------------|------------|-------------------|---------------------------|------------------|---------------------|----------------------|------------------------------------|
| 2017 | | | | | | | | | | | | | |
| October | 806 | 24 | 1 | 718 | 8,737 | 2,040 | 0 | 15,410 | 4,494 | 0 | 10/26/2017 | 1,543 | Atlas Prep |
| November | 822 | 19 | 2 | 515 | 5,659 | 5,736 | 0 | 10,518 | 4,662 | 0 | 11/6/2017 | 879 | Silver Keyloves Weichert Realtors! |



Slate of Officers 2018

Mary Ellen McNally - Chair

Carla Hartsell – 1st Vice chair

Preston Briggs – 2nd Vice chair

Amy Silva-Smith – Secretary

Cheryl Solze – Treasurer

Steve Baron – Immediate Past Chair

Article 1 - Offices

Section 1.1 Business Office

The principal office of the corporation shall be located in Colorado Springs, Colorado. The corporation may have such other offices, either within or outside Colorado, as the board of directors may designate or as the affairs of the corporation may require from time to time.

Section 1.2 Registered Office

The registered office of the corporation required by the Colorado Revised Nonprofit Corporation Act (the "Act") to be maintained in Colorado may be, but need not be, the same as the principal office if in Colorado, and the address of the registered office may be changed from time to time by the board of directors.

Article 2 - Members

The corporation shall have no members with voting rights or any other legal rights or privileges in connection with the management of the business or affairs of the corporation.

Article 3 - Board of Directors

Section 3.1 General Powers

The business and affairs of the corporation shall be managed by its board of directors, except as otherwise provided in the Act, the corporation's articles of incorporation or these bylaws.

Section 3.2 Number, Election, and Terms

- (a) **Number** - The number of voting directors of the corporation shall not be less than twelve or more than sixteen.
- (b) **Election** - Nominees to the board of directors shall be nominated by a nominating committee appointed by the chairperson of the board. The chairperson of the nominating committee shall, whenever possible, be the chairperson of the board. Nominations shall be made in October of each year to fill vacancies which will arise as a result of the expiration of a term on the following December 31st. Nominations may be made as needed throughout the year to fill any other vacancies on the board of directors (as outlined in section 3.5). Newly elected board members will commence service on the 1st of January for those members replacing an expired board member's term or on the 1st of the month following the vote to their election for other vacancies.
- (c) **Terms** - The term of office for directors of the board shall be for two years, subject to the terms of Section 3.5 regarding vacancies and except in the case of a director whose two year term as a director expires at the same time as his/her term as chairperson of the board (referred to as the "Outgoing Chairperson"), his/her term as director will be extended for one year, so that it will be three years in length. Any member of the board of directors who shall have served as such for two consecutive full terms of three years or more shall be ineligible for re-election for a period of one year immediately following the expiration of the third full term.