St. Louis Office for Developmental Disability Resources
Minutes of the Board of Directors Strategy Session
April 24, 2026

Board Members Present:
Cynthia Mueller, Chairperson
Sarah Sims, Board Member
Selena Washington, Board Member
Patrick Brennan, Treasurer

Board Members Absent:
William Siedhoff, Vice-Chairperson
Nina North Murphy, Secretary
Delilah Sullivan, Board Member
Catrina Adams, Board Member

Staff Members Present:
Shaelene Plank, Executive Director
Kelly Head, Executive Assistant
Nate Head, Director of Agency & Community Relations
Olivia Pruitt-Payne, Director of HR
Chris Winklemann
Nathan Patton, Director of IT
Lisa Briggs, Director of Finance
Samantha Montgomery, Director of Service Coordination

I. Framing and Governance Context

- Shaelene Plank opened the session by reiterating that the meeting was intentionally designed as a decision-making forum, not an informational update or exploratory discussion.
  - Key framing points aligned with the presentation included:
    - The Board's role is to exercise governance, not manage day-to-day operations
    - The session's purpose was to set explicit boundaries around financial risk, priorities, and strategic intent
    - Decisions made would be documented, communicated, and used as the basis for future triggers and actions
    - Board members present were empowered to make decisions on behalf of the Board, with outcomes later shared with the full Board for confirmation
  - The four required outcomes for the session were confirmed:
    1. Establish a maximum acceptable local subsidy for Targeted Case Management (TCM)
    2. Identify which services are protected versus conditional if levy revenue declines
    3. Adopt a Board definition of restricted housing funds
    4. Clarify Board goals, role, and risk tolerance for IDD housing in the City of St. Louis

II. Shared Financial Reality and Scenario Context

- Financial Context: "Then and Now"
  - Staff reviewed the organization's financial trajectory, including:
    - A reserve low point in 2017 following crisis-driven spending decisions
    - Current reserve strength (approximately $18 million)
    - The opportunity to make disciplined, proactive decisions rather than reactive cuts
  - The Board agreed the organization is currently financially stable, but subject to material long-term risks that require governance clarity.
- Key Financial Risk Drivers
  - The Board affirmed the three primary risk drivers identified by leadership:
    - **Property Tax Levy Revenue** – Exposure to volatility, caps, freezes, and voter sentiment
    - **TCM Financial Structure** – Ongoing reliance on local funds to offset structural underfunding

        - **State Funding Volatility** – Flat rates, rescissions, compliance cost growth, and waiver pressures
    - Board members acknowledged broader contextual risks (e.g., disasters, city conditions), but agreed these remain secondary to the three core drivers.
- Guiding Principles
    - The Board confirmed the guiding principles presented in the slides:
        - Responsible stewardship of levy and Medicaid funds
        - Clear distinction between local versus state financial responsibility
        - Continuity of essential services within defined guardrails
        - Data-informed, proactive decision making
        - Advance planning to minimize crisis-driven actions
- Scenario Framing
    - Staff reviewed best-case, moderate-case, and worst-case scenarios, emphasizing that:
        - Scenarios are used to stress-test decisions, not predict the future
        - The Board was asked to set policies that hold across scenarios
        - Management will monitor indicators signaling when predefined triggers are reached

III. **Decision Area 1: Targeted Case Management (TCM) Subsidy**

- Context and Risk Implications
    - The Board discussed that TCM:
        - Is deeply mission-aligned and valued
        - Is structurally underfunded by Medicaid
        - Has relied increasingly on local levy dollars absent formal limits
    - The Board affirmed that this decision was not a judgment on service quality, but a determination of the amount of system-level risk the organization is willing to assume on behalf of the state.
- Financial Overview
    - Key points discussed:
        - FY2025 TCM subsidy: approximately $662,000
        - FY2026 forecast subsidy: approximately $420,000
        - Subsidy represents roughly 5% of unrestricted revenue
        - Improvement is largely attributable to operational efficiencies, not structural fixes
- Board Discussion
    - The Board considered:
        - Immediate operational redesign efforts (e.g., billing standards, productivity expectations)
        - Exploration of serving all city TCM cases if financially viable
        - Potential shared-service or partnership models
        - The need for a defined exit strategy should state conditions or subsidy levels become unsustainable
- Decision
    - The Board established the following governance direction:
        - Maximum TCM subsidy capped at 10% of levy and interest revenue
        - Cap applies for the next two years, aligned with the current contract period beginning 7/1/26
        - Immediate redesign required, including operational, partnership, and structural options
    - Management directed to develop:
        - Financial modeling for a full-city TCM scenario
        - Partnership and consolidation options
        - A formal exit strategy if the Board-approved cap is reached or state funding conditions materially change

IV. Decision Area 2: Property Tax Levy Decline Priorities

- Purpose
  - The Board reviewed the rationale for advance service prioritization, emphasizing:
    - Avoidance of across-the-board cuts
    - Preservation of public trust
    - Clear guidance to management during financial stress
- Service Definitions Adopted
  - The Board adopted the following categories:
    - Critical Services – Cannot be interrupted without violating statutory or public trust obligations
    - Essential Services – Core mission services subject to scaling or redesign
    - Discretionary Services – Services that may pause or cease without statutory violation
- Priority Determinations
  - Critical (Priority)
    - Sheltered workshops
    - Transportation to sheltered employment
  - Essential (Priority)
    - Other employment services
    - Independent living and supportive services
  - Conditional / Discretionary
    - Targeted Case Management (subject to Decision #1 thresholds)
    - Other non-statutory discretionary services (e.g., socialization, facility-based respite)
- Board Direction
  - Management is directed to produce scenario-based prioritization plans, showing impacts under:
    - \$500,000 levy reduction
    - \$1,000,000 levy reduction
    - \$1,500,000 levy reduction
    - Severe levy loss scenario

V. Decision Area 3: Definition of Restricted Housing Funds

- Context
  - The Board reviewed increasing requests for housing funding and the limited remaining restricted balance.
- Decision
  - The Board adopted the following definition:
    - Restricted Housing Funds are financial resources designated for the support, development, or preservation of housing opportunities by formal Board action and may not be used for general operations or ongoing supportive service subsidies without explicit Board approval.

VI. The definition reinforces one-time, capital-oriented use while retaining limited Board flexibility in extraordinary circumstances.

Decision Area 4: Board Goals for IDD Housing in St. Louis

- Strategic Context
  - The Board acknowledged:
    - Housing is mission-relevant but financially complex
    - The organization will be increasingly asked to participate in collaborative responses, particularly following the 2025 tornado
    - Long-term commitments require explicit governance boundaries
- Board Direction
  - Housing is affirmed as a Board-recognized priority, subject to financial guardrails
  - Board role defined as:
    - Advocate

        - Convener
        - Strategic Funder
        - Not an operator
- Use of restricted funds allowed within the adopted definition
    - Levy funding use is limited and subject to Board-defined boundaries
    - An Ad Hoc Housing Committee of the Board will be established to:
        - Explore models such as LIHTC developments
        - Assess risk, scale, and partnership opportunities
        - Provide recommendations to the full Board
    - Management directed to:
        - Continue evaluating renovation and preservation projects
        - Explore new construction opportunities where risk is appropriate
        - Research advocacy opportunities related to new commercial developments and revenue implications

VII. Confirmation of Decisions and Next Steps

- All decisions were read back and affirmed.
- Summary of Actions
    - TCM subsidy capped at 10% for two years with required redesign
    - Service prioritization framework adopted
    - Restricted housing funds definition approved
    - Housing strategy boundaries clarified
    - Scenario modeling and policy documentation directed

Adjournment

The meeting adjourned at approximately 4:00 PM.

Nina North Murphy
Nina North Murphy (May 18, 2026 11:37:52 CDT)
Nina North Murphy, Secretary

05/18/2026
Date Approved