

North Metro Community Services Board Minutes

For the meeting held on

April 25th, 2019

Dr. Ed Bertagnolli called the meeting to order at approximately 6:00 PM. He said he would entertain a motion to approve the minutes of the March 28, 2019 meeting, approve the agenda for the April meeting and excuse John Coates, Judy Stevens, and Matt Drumm, all other members were present. Edie Wallace made the motion, which was seconded by Paul Yantorno and passed unanimously.

Finance Committee Report:

March 2019

Statement of Activities

In March 2019 a net revenue of \$24,238 was earned on total revenues of \$2,356,212. For the month of March net revenues were just over \$70,000 less than what was budgeted. The net revenue was largely impacted by weather related closures in March. Day services being closed on both March 13th and 14th impacted the revenues in Day program. A staff only day for everyone besides day program Direct Support Professionals was called on March 14th. The staff-only day lessened the impact on revenues for Resource Coordination, and Early Intervention. The largest variance in the budget is related to a change in billing processes for our Program Approved Service Agencies (PASA). Historically the NMCS finance department has billed and paid our PASAs. The revenue associated with this billing was just passed thru to the agency providing the services. The finance department continues to process and transmit billing as usual but, the funds are directly transmitted by EFT to the agency bank account. The change was necessary to avoid commingling of HB-1407 funding and further complicating the reporting requirements. This change reduced revenue and expenses by \$276,000. Year to date net revenue is \$502,535 and is \$197,000 ahead of budget for the year.

The under budget financial performance in March was a direct result of the weather related closings. Day Program revenues were impacted an estimated \$58,000 which largely created the \$73,174 loss in Day Program in the month of March. Capital gains related to sale and insurance settlements on our vans totaled \$30,784 and reduced the overall loss in Day Program. The Resource Coordination department losses in the month were extended by the loss of Targeted Case Management revenues which were short because of the weather. An average of \$11,000 per day is billed in Targeted Case Management with 80% being earned by the Resource Coordination department. The staff only day on the 14th lessened the revenue impact for the month but overall staff attendance was light on that day. The residential department was not impacted by the weather and earned net revenue of \$116,566 which is \$40,000 better than what was budgeted.

The 6.5% rate increases related to HB-1407 started being earned in March and are reflected in the monthly financial statements. The rate increases generated an additional \$76,829 of revenue in the month. These funds will offset the cost of the staff increases given in January. Staff project additional

net revenues being earned in April and May with typical June losses. Overall it is expected that we will be ahead of budget at year end.

Statement of Financial Position

Cash balance at the end of March was \$5,849,456 and is \$44,391 less than at the prior month end. We continue to maintain an additional \$3,050,355 in certificates of deposit. An additional \$1 million CD was opened in April. This CD will yield a return of 2.7% annually. Receivables decreased \$162,000 since the prior month. This is related to a slight reduction in our receivable from the State of Colorado. Progress is being made but we continue to be 30 days past due on State receivables. Current liabilities decreased \$163,000 from the prior month. The decrease in liabilities is related to the change in billing and payment process to our service agencies. With the change in process we are no longer carrying a liability related to the payment for services to these PASAs.

The finance committee discussed the impact the procedural changes in PASA billing and payment has on our current year budget. It was the consensus of the committee to recommend a budget adjustment to the board. This adjustment will reduce both budgeted revenues and expenses related to our PASAs by \$1,088,507. This change will have no overall impact on the budget net revenues as these funds are passed thru to those agencies. The adjustment will be made retroactive to March when the change was initially made.

Budget Update

There were no addition capital budget purchases in March 2019. To date all but two items from the budget have been purchased. The finance committee will be presented the first draft of the agency annual budget at the May finance committee meeting.

Paul Dr. Taylor made the motion to accept the Finance Committee report as well as the budget adjustment, which was seconded by Mona Valdez and passed unanimously.

Executive Directors Report:

Legislative Developments

Senate Bill 238 passed. It increases wages for personal care workers and in-home care providers, homemakers, respite in the SLS waiver. Rates were increased by 8.1%. The bill also created training requirements for those same staff members.

A bill has been put forth that would allow individual cities to set the minimum wage. They are hoping to add an amendment to look at rates to see if each city can afford the increase.

New Business

Ratify 2019 Contract with Adams County

Doug Shepherd made the motion to ratify the 2019 contract, which was seconded by Dr. Taylor and passed unanimously.

Motion to Elect Sandra Osborn to the Board

Sandra is the parent of an individual receiving services. Her election will be effective at the June meeting. Pauline Burton made the motion to elect Sandra Osborn to the board which was seconded by Dr. Taylor and passed unanimously.

Director's Report

Jen O'Shea, the director of Human Resources came to give the board of directors an update on her department. HR covers applicant hiring, onboarding, training, compliance, benefits, and unemployment. North Metro has 548 employees, 63 of which receive services. 242 of the 548 employees are eligible to receive benefits. Our turnover rate for DSP's is 30.4% whereas the turnover rate for DSP's at other agencies is 38%. The overall turnover rate at North Metro is 24.8%. In the last year HR has processed 1025 applications and of these have hired 117 new employees. We have had no compliance concerns.

HR has implemented a new system called Paycom. This system integrates all aspects of HR and accounting – hiring, wage changes, benefits, reporting, etc.

Public Comment

There were no audience members present at the meeting.

Adjournment

Edie Wallace made a motion to adjourn the meeting which was seconded by Mona Valdez and passed unanimously.

*The next Board Meeting will be held May 23rd, 2019