

## **North Metro Community Services Board Minutes**

**For the meeting held on**

**February 23 2017**

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 January 26th, 2017 meeting, approve the agenda for the February meeting and to excuse Lori Freyta, Mona Valdez (all other board members were present). Dr. Taylor made the motion, which was seconded by Edie Wallace and passed unanimously.

### **Finance Committee Report:**

Doug Shepherd presented the finance report for the months of January. In the month of January 2017 we had net revenue of \$476 on total revenues of \$2,602,955. The net revenue for the month is \$16,000 better than the budgeted loss of \$15,262. In the month of January we had a one day weather related closure. The budget reflects the reduction in revenue for that budgeted snow day. Year to date net revenue is \$407,378 and is \$300,000 better than budget for the year. Total expenses are a bit over budget in the month of January. The closing for the holidays caused some overhead expenses from December to be recorded in the current month. There were also additional expenses related to some small facilities upgrades and repairs. Overall we continue to perform well fiscally and are confident that this will continue.

The expense for the annual audit was recorded in the month of January. The overall expense was \$21,238 and was about \$4,000 more than what we paid last year. Staff is happy with the current auditor and feels that the testing process is relevant and helpful. There were a couple of improvements paid for in January. The board conference table was refinished and the flooring in one of our meeting rooms was replaced. Salaries were a bit over budget in our residential homes in the month of January. This is primarily additional overtime cost associated with our group homes. Day program recorded a net loss of \$64,986 in the month of January. The closure as well as an in-service day reduced our overall service revenues in the month of January. Despite the loss we continue to show ongoing improvement in day program. Year to date we have reduced losses in our day program by \$464,000. The Vocational program was well ahead of budget in the month of January. We had another positive month financially on our Buckley contract earning nearly \$5,000 in net revenues. Year to date our loss is only \$7,080 and we expect to make a small profit this year. The optimizing of our labor hours on that contract has really been beneficial. Robert Hunter and his management crew have done well with the allocation of the labor hours on the contract. The Vocational area as a whole is almost \$80,000 ahead of budget.

Statement of Financial Position

Cash in bank at the end of January was \$8,525,965. This balance has increased \$126,000 from the prior month. Overall receivables are \$3,460,000 which is about \$100,000 more than at the end of December. Current liabilities increased about \$200,000 in the current month. The timing of our Mill Levy recognition accounts for the majority of this change. The new state billing system will go live March the 1<sup>st</sup>. Given the difficulties seen through our revalidation process, we are not expecting this transition to be smooth. Staff expects to experience payment delays on our Medicaid claims. The state department responsible for our funding has made assurances that they will use alternative procedures for payment if necessary.

### Capital Update

The 2016/2017 Capital Budget was completed in November. The committee also discussed the sale of Thornton House. This former group home property is currently being rented to a HH provider. This provider intends on purchasing this home from North Metro. A resolution to authorize this sale will be presented to the entire board.

Edie Wallace moved that the board accept the finance committee report for January. The motion was seconded by Paul Yantorno and passed unanimously.

### **Executive Committee Report:**

George will cover the Executive Committee report in his director's report.

### **Executive Directors Report:**

George Montoya covered 2 topics in his executive committee report. Those topics were the revalidation process, and Legislative Developments.

#### Revalidation

The deadline for revalidation is March 1<sup>st</sup>, 2017 and that is when everything will be switched over to the new billing system. We're doing well in regards to the revalidation process, 9 out of 10 of our applications have been approved. The one application that we are waiting on is luckily one of our smaller accounts.

#### Legislative Developments

Things are looking a little bit better in regards to legislation. The joint budget committee has decided on 4.7 million dollars for SLS providers they are just waiting on approval from the governor. The governor proposed no increase to Medicaid rates, but a 2% increase to state employees. This has been put on hold, but might open the door for a rate increase.

George then very briefly touched on Conflict Free Case Management. Once passed, there will be a 5 year window to be fully compliant.

## **New Business**

Jennifer O'Shea the Human Resources Director was present at the meeting to present the changes to five of NMCS's policies.

The changes to the Extended Sick Leave (ESL) and Paid Time Off (PTO) policies were that ESL and PTO would now accrue at the end of each month and cannot be used until they are accrued. The percentage of ESL and PTO earned has now been broken down into hourly ranges instead of a certain percentage for every hour.

The policy on Personnel Records has changed due to a change in the law. An individual can now request that they be shown their personnel file. Access to the employee or former employee's file is restricted to be only in the presence of the Human resources Director or his/her designee .

The policy on drugs and alcohol had minimal revision. NMCS reserves the right to require a drug/alcohol screening of any employee if a supervisor has reasonable suspicion of alcohol or drug impairment at work. "Impairment at work" was added to provide clarification.

The final policy that was revised is the policy on Holidays. Some of the language in this policy needed clarification. Flex Holidays such as President's day may be used during FMLA or medical leave.

After Jen finished going over the policy revisions George brought forth a resolution authorizing the sale of Thornton House. Thornton House is a residence that NMCS has used as a group home for individuals with IDD. NMCS has been renting the house to a host home provider that serves two former Thornton House residents for approximately a year. NMCS has reached an agreement to sell the house to this host home provider for \$283,000. Edie made a motion to accept the resolution which was seconded by Dr. Taylor.

## **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 Pauline Burton and passed unanimously.

\*The next Board Meeting will be held March 23<sup>rd</sup>, 2017.