

North Metro Community Services Board Minutes

For the meeting held on

June 22 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 May 25th, 2017 meeting, approve the agenda for the June meeting and to excuse Paul Yantorno, Judy Stevens, Pauline Burton, Farhad Kargar, and John Coates (all other board members were present). Edie Wallace made the motion, which was seconded by Mona Valdez and passed unanimously.

Finance Committee Report:

May 2017

Statement of Activities

In the month of May 2017 we earned net revenues of \$48,517 against budgeted net revenue of \$43,562. Our year to date net revenue of \$665,357 is still over \$300,000 better than the budgeted year to date net revenue. In the month of May there were \$51,829 in write offs of dated receivables from the prior fiscal year. The write offs are exclusively recorded in Supported Living Services. Early Intervention receivables from the State of Colorado comprise the majority of these receivables. The billing conversion to the "Unicorn" billing system created some billing errors that we were not able to rectify. Staff is comfortable with the system currently and these errors should not reoccur.

The month of May was mixed with department areas split between over and under budget performance. The Supported Living Services department was well below budget on the aforementioned write offs. Without these prior year write offs this area would have been well ahead of budget. The budget deficit in Resource Coordination is a result of being short staffed in the previous 90 days. New staff is being hired but it takes some time for them to become trained and efficient in billing Targeted Case Management (TCM). TCM revenues are expected to be stronger in the coming months. These staffing issues caused the \$25,000 shortfall in revenues. Administration was also short of budget in the month of May. Additional expenses of \$11,863 for conversion to an online staff training system, and a payment of \$6,200 to Goodwill for their portion of incentive payments for SLS, are the primary reasons for this deficit. The comprehensive block was ahead of budget in the month of May on good financial performance in both day and residential programs. The Vocational area continues to produce profits. As of May 31, 2017 we are in the black by \$1,005 on the Buckley contract. Contracts at the Arsenal and The Repository also have earned net revenues in the year. We continue to show small losses from our Employment Enclaves and Datasafe. Combined these two programs have lost \$38,000 year to date.

Statement of Financial Position

As of the end of May cash in bank is \$9,249,351. This balance has increased \$475,000 from the end of April. Accounts receivable have a balance of \$3,496,000 and reflect a slight decrease from the prior month. Currently we are not being paid for Targeted Case Management provided in our EI program. These receivables not being paid, account for almost \$100,000 of our open balance. Current liabilities increased by \$282,000 to \$2,400,000. The bulk of this increase is related to deferred revenue with typical accruals accounting for the remainder of the increase.

Capital Update

The 2016/2017 Capital Budget was completed in November.

2017/2018 Budget

The Finance Committee was presented the revised budget for FYR 2017-2018 budget. The budget reflects a projected net revenue of \$536,865 on \$31,490,756. This revenue includes a 1.4% base rate increase in our State contract and Medicaid Rates. The budget contains an additional \$263,834 in funding from Adams County. The commissioners have agreed to purchase the 6 vans that were in our initial budget. This additional revenue is budgeted in day program. In addition to the 1.4% increase the legislature also approved targeted rate increases for some underfunded services in Supported Living and Transportation services. These targeted increases will increase revenues by a projected \$60,000 next year. Overall revenues are projected to be less next fiscal year. In the current year we received additional one time revenues for onboarding and SLS incentive funds. These additional funds will not be part of next year's budget. The budgeted expenses for salaries reflect decreases in residential salaries in the current year. The projected closure of James House reduces salaries in that area. In addition we have reduced staffing at Adams House, Clayton House, and Webster Lake during the current year. Our health insurance cost per employee is \$7,220 annually and remains fully funded for employees in this budget. This budget also contains a continued 4% contribution to the employees 401k and 457 plans. Employee benefits overall are unchanged from the current year.

The 2017/2018 budget includes multiple salary items. A proposed increase for our Direct Service Professionals (DSP) in Day and Residential will raise our entry wage to \$13/Hr for Day Program and \$13.25 for Residential. This starting wage will help keep us competitive when attracting our entry level staff. Current DSP's will receive a .35 hour increase in day program and a .60 hour increase in Residential. This plan will cost \$100,962 in the upcoming budget year. The holiday bonus was increased to \$250,000 from the initial \$190,000 that was proposed in the May draft budget. The budget still includes a 2.5% merit based increase that we plan on providing January 1, 2018. The host home providers will also receive a 2% increase January 1st as well.

Capital Budget 2017/2018

There is \$376,055 in capital items in next year's budget. The capital budget was increased to purchase 2 additional new passenger vans and now includes a total of 8 vehicles. The additional funding from the county allowed us to replace these 2 additional older vehicles. The budget also contains a divider for the work floor, a new copier for Resource Coordination, and a new network server for our IT area.

Edie Wallace moved that the board accept the finance committee report for May. The motion was seconded by Mona Valdez and passed unanimously. Dr. Taylor moved that the board accept the 2017/2018 budget. The motion was seconded by Bill Hawthorne and passed unanimously.

Executive Committee Report:

Randy will cover the Executive Committee report in his director's report. Dr. Taylor mentioned the idea of bringing in some younger board members. There is room on the board for two additional board members. Randy mentioned that he was going to talk to the directors to get suggestions of parents and/or individuals with professional experience who would possibly be interested in joining the board of directors.

Executive Directors Report:

Randy briefly touched on the American Healthcare Act. If passed it would bring permanent changes to Medicaid. It would change the amount of funding to a per capita limit as opposed to the current set up where the federal government matches the state funding. This would mean less funding for individuals with IDD's. Our services are considered "optional" and not entitlement services such as a nursing home. Our services could get cut with the new budget limitations. If passed it would reduce Medicaid by 40% over a ten year period. Randy encouraged everyone to call Senator Gardner and ask him to vote no.

New Business

Recognize Scott Quicke

After 15 years as a member of the NMCS Human Rights Committee, Scott Quicke has decided to step down. Randy put forth a resolution to recognize Scott Quicke for all of his service to North Metro Community Services and his dedication to improving the lives of people with Intellectual and Developmental Disabilities not only in Adams County but throughout the Denver Metropolitan Area.

Dr. Taylor moved that the board accept the resolution recognizing Scott Quicke. The motion was seconded by Doug Shepherd and passed unanimously.

Appoint new HRC member

With Scott leaving the HRC committee there is an open spot. Randy put forth a resolution to appoint Melissa Smith from Metro Support to the NMCS Human Rights Committee. Melissa has over 15 years of experience supporting people with IDD, and has agreed to serve on the NMCS Human Rights Committee.

Dr. Taylor moved that the board accept the resolution appointing Melissa Smith to HRC. The motion was seconded by Doug Shepherd and passed unanimously.

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 Doug Shepherd and passed unanimously.

*The next Board Meeting will be held September 28th, 2017.