

North Metro Community Services Board Minutes

For the meeting held on

June 27th, 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 May 23, 2019 meeting, approve the agenda for the June meeting and excuse John Coates, Farhad Kargar, and Pauline Burton, all other members were present. Doug Shepherd made the motion, which was seconded by Mona Valdez and passed unanimously.

Finance Committee Report:

May 2019

Statement of Activities

In May 2019 we earned net revenue of \$40,653 on total revenues of \$2,529,611. Net revenues for the month were \$123,981 less than the budgeted net revenue for the month. The net revenue was impacted largely by total revenues being \$107,937 short of budget in the month of May. Year to date net revenues of \$588,760 are ahead of budget \$24,290 for the year.

Revenues in Supported Living, Day Program, and Resource Coordination continue to create variance based on budgeted projections. Day Medicaid revenues were \$87,000 less than what was budgeted in the month of May. Staff research of day attendance records has shown substantial numbers of absences in relation to schedules. These absences generate loss of revenue for an estimated 25 full program equivalents. As a matter of necessity we are staffed and plan for full attendance. These unscheduled absences cause the underperformance in day program. Staff is working through processes that will create more uniform attendance that will benefit staff workload and the services we provide.

Revenues in Supported Living are showing moderate improvement over April but continue to be under budget. Supported Living should continue to see stronger revenue numbers moving forward. New enrollees in Supported Living are moving through the enrollment process and we have seen a surge in the number of support partner being hired and trained recently. The expectation is that this will continue as we address open enrollments waiting for services.

Our residential program continues to flourish financially. In the month of May, the department outperformed its budget in both total revenue and net revenue. The reputation for support and service delivery in residential has led to a majority of new people choosing our program. Residential is in the process of getting an additional 7 people into services. The financial success of the residential program allows us to maintain services in other program areas that struggle to cover expenses.

There were some line items that were over budget in May. Staff was allowed to purchase some program items that were requested for next year's budget but were seen an immediate need. Furniture and equipment was purchased for Intensive Habilitation and Eldership. Replacement PC's were

purchased for the accounting department and a number of smaller items were expensed in May. These expenses contributed to the overall budget deficit in the month.

Statement of Financial Position

Cash balance at the end of May was \$5,133,997 which is \$463,468 more than at the end of April. In addition to the bank balances we hold an additional \$4,050,355 in CD's. State and Vocational receivables continue to run 30-60 days behind. We are fortunate to have ample reserves to bridge the slow collection of these receivables. Collection of Medicaid receivables is expected to improve moving forward. A cooperative position with Adams County Social Services has shown initial promise in shortening and resolving eligibility issues. These eligibility issues are a big factor in the number of billing denials we experience. Accounts receivable balance is \$4,087,554 at the end of April 2019. This balance is slightly less than at the end of April. Liabilities have increased \$169,000 from the prior month end and total \$2,059,063.

Dr. Warren Taylor made the motion to accept the Finance Committee Report which was seconded by Mona Valdez and passed unanimously.

Capital Budget

There were no additional capital budget expenses in May. A resolution to grant the authority needed for the sale of James House will be presented to the NMCS BOD.

Budget 2019-2020

The 2019-2020 budget was presented to the finance committee for a second review. The budget has very minor changes from the first budget presented. The budget projects net revenue of \$690,115 in net revenues. Total revenues are budgeted at \$30,357,470. The budget reflects continued growth in our residential program based on a combination of annualized growth and the expected release of 150 new comprehensive resources. Medicaid revenues reflect the annualized increases related to the 6.5% rate increases that were effective March 2019. A 1% community provider increase that is effective July 1, 2019 is also included in the budget. Capital gains of \$530,000 are projected in next year's budget related to the sale of James House and Unity House. These home were previously used as group homes but were closed in the past 2 years.

The budget reflects annualized increases to staff salaries. The second portion of the DSP salary increases totals \$183,300 in additional expenses is included in this budget. This portion of the budget along with a 1% increase in residential family care giver wages was specially approved at the May board meeting. Increases for staff not covered as part of the DSP increases are projected for January 2020. These salary additions are budgeted to increase expenses by \$135,500.

NMCS continues to provide a very strong benefit plan for its employees. We continue to have the room in our budget to pay 100% of Health, Dental, Vision, and Life Insurance for our full time employees. Renewals for our insurance coverages were favorable this year. We received a 1% decrease in our health insurance premiums. Costs for our other insurances have remained relatively flat. Coverage

availability for employee spouses was added back to our health insurance. Spousal coverage is now available but is paid for by the employee. The 401K and 457 retirement plan continues to reflect a 4.5% company contribution. In addition, we extended our 401K to all of our part time employees. The additional projected cost of extending eligibility for our 401K is \$44,000 and is reflected in the budget. This cost could vary based on participation levels of the newly eligible staff. The budget proposes \$250,000 in expenditures for holiday bonuses. This bonus amount is consistent with what was done in the current year.

Proposed capital expenditures total \$316,851. The proposed capital budget contains 3 compact cars, 2 mini vans, and 2 Mercedes Sprinters with modifications. Vehicle costs make up \$273,430 of the proposed total. A remodel project in the nurse's area in the residential department, IT hardware, and janitorial equipment make up the balance of the proposal.

Doug Shepherd made the motion to accept the 2019-2020 budget which was seconded by Mona Valdez and passed unanimously.

Executive Directors Report:

Legislative Review

There was an increase of 1% and they are talking about holding a special session to raise the labor cap in order to hold on to more of the revenue. Prop C is going to be on the ballot and lets us vote to keep revenue above the labor limit earmarked for education and roads. If it passes it will take pressure off of the state budget. We're also hoping to get more money to help eliminate the state SLS waitlist. The goal is 150 new comp resources and 400 new emergency resources.

New Business

Resolution Authorizing George Montoya to execute documents related to the sale of James House

Dr. Taylor made a motion to accept the resolution authorizing George Montoya to execute documents related to the sale of James House, which was seconded by Mona Valdez and passed unanimously.

Election of Board Members

Bill Hawthorne, Dr. Warren Taylor, Pauline Burton, John Coates, and Lori Freyta were all up for reelection to the Board and all wished to continue to serve as board members.

Edie Wallace made the motion to reelect Bill Hawthorne, Dr. Warren Taylor, Judy Stevens, John Coates, and Lori Freyta to the Board of Directors, which was seconded by Mona Valdez and passed unanimously.

Directors Report

Robert Hunter the Day Program Director came to give the board of directors an update on his department. North Metro's day program is currently serving about 350 individuals. The main goal of the day program is integration. When interacting with the community there should be an educational component. Every team has at least one volunteer site, and this is a good way to give back to our community. The groups go to museums and go on tours of different places like dairy farms and Coors

Field. They get to experience arts and culture. We have a painting group that was very popular where every individual who participated followed along with an instructor and painted their own canvas. We have a knitting group as well that has become a popular activity as well as a new yoga class. We provide rec center passes, they go to the stock show, and places like Boondocks and the Tattered Covered book store, and pumpkin patching in fall. Brighton day program has an annual science fair as well as a Personal performance show. What is important to note is that all of the many activities that are individuals participate in are chosen by the individuals themselves. At the beginning of each month the groups meet to plan out that month's calendar of activities.

Public Comment

There were no audience members present at the meeting.

Adjournment

Bill Hawthorne made a motion to adjourn the meeting which was seconded by Doug Shepherd and passed unanimously.

*The next Board Meeting will be held September 26th, 2019