

## North Metro Community Services Board Minutes

For the meeting held on

May 25 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 April 27<sup>th</sup>, 2017 meeting, approve the agenda for the May meeting and to excuse Paul Yantorno and John Coates (all other board members were present). Dr. Taylor made the motion, which was seconded by Edie Wallace and passed unanimously.

### Finance Committee Report:

April 2017

#### Statement of Activities

In the month of April 2017 a net loss of \$240,804 was recorded on total revenues of \$2,559,813. The loss was the direct result of the salary increases and one time payouts to staff, and host home providers approved by the Board of Directors in March. The total expense incurred from these payments was \$381,594 in the month. Net revenue would have been \$140,790 if not for these additional expenses. That figure would be \$6,000 ahead of budget for the month. Year to date net revenues are \$616,840 and are \$313,332 ahead of budget year to date. This compares favorably with our year to date performance in the prior year. In April last year we had a year to date net loss of \$31,147. We have performed better in nearly all program areas this year. The turnaround in day program is the most impactful change on our current performance. Day program had recorded losses of over 1 million dollars as of April last year.

All program areas, besides Grants and Vocational, recorded losses in the month of April. The administrative department had an additional expense of \$7,087. This amount was to one of the service agencies to help them offset some extraordinary expenses in maintaining someone in one of their group homes. The Resource Coordination department did not meet budgeted revenue in April. State revenues are under budget for Early Intervention case management in Resource Coordination, but are made up by additional State funding in the Grants program. The Vocational program continues to show improvement and recorded net revenues in the month of April. The \$4,866 net revenue is supported by the performance of our state contracts and Data Safe. Buckley earned net revenues in the month of \$1,648. We continue to make steady progress and are only in the red \$4,453 for the year. The enclaves continue to be in the red. The losses on the enclave are a result of the increase in minimum wage which makes it difficult to cover salary costs for the vocational employees.

Staff expects to have solid net revenues for the remainder of the fiscal year. We received \$203,900 in May as an SLS provider incentive. This funding will be used to offset costs in our SLS program and will be recorded in May and June. There is also \$50,000 in onboarding funds that has not been recognized. This funding will be used to offset case management costs as they increase staffing to support the SLS

program. These items as well as our current performance will support strong earnings for the balance of the fiscal year.

#### Statement of Financial Position

As of April 30<sup>th</sup> we have a balance of \$8,774,304 in our bank accounts. This calculates to a reduction of \$313,265 compared to the end of March. Accounts receivable balance of \$3,607,019 is \$58,000 less than at the prior month end. The finance department has done well transitioning to the new State of Colorado Medicaid billing system. The remaining revalidation for EI TCM was approved on May 10<sup>th</sup>. The entire revalidation process began in November 2015 and took 18 months. To date there has not been any CCB's that have been paid for EI TCM. Our receivables will grow by an average of \$25,000 a month until we can get claims for EI TCM to pay. Liabilities are \$2,118,987 and are \$153,000 less than the prior month. The State of Colorado has double the timely filing deadline to 240 days. This should help us avoid many write offs due to systemic issues with the Interchange billing system.

#### Capital Update

The 2016/2017 Capital Budget was completed in November.

#### 2017/2018 Draft Budget

The Finance Committee was presented the draft of the FYR 2017-2018 budget. The budget and the financial statements will be presented in a new format. This new format will represent reporting that clearly identifies the primary program areas. The most significant changes is the reporting of day program and residential in their own department areas. Previously the reporting was categorized by funding or waiver category. The budget projects total revenue of 31,267,048 and projected net revenues of \$426,725. The budget reflects the 1.4% base rate increase for Medicaid and State programs. Overall revenues are budgeted to be less than what is projected for this year. There were a number of one-time items in the current year that created the additional revenues. The revenues for next year contain anticipated revenue gains in the Supported Living and Children's Extensive Supports programs. These programs continue to enroll additional people. Targeted Case Management revenues are expected to increase as a result of this growth and projected billing gains created by new staff.

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 premiums increased 3.2% for FYR 2017/2018. The current cost per employee is \$7,220 annually and is fully funded for employees. Other employee benefit items remain in place with very little projected changes in cost. This budget also contains funds for a 4% match to the employees 401k and 457 plans as applicable.

Included in this budget are proposed salary items. The first of these items is an increase across the board for our Direct Service Professionals in Day Program and Residential. We hope to increase our entry level starting salary by .15 to \$12.80/hour in Day Program and .40 to \$13.05/hour in residential.

This proposal would increase wages to all DSP's by .15 or .40 depending on the program. The budget also contains \$190,000 to continue the one-time holiday payments. A 2.5% January 1, 2018 staff increase is included as well. This increase will be given based on merit as opposed to across the board. The host home providers will receive a 2% increase January 1<sup>st</sup> as well.

The capital budget for next year is \$308,532 with the purchase of 6 new vehicles comprising the bulk of the proposal. The balance of the capital budget contains IT network, and other capital facility upgrades. The budget was reviewed by the finance committee and will be presented to the entire Board of Directors at the June meeting.

Edie Wallace moved that the board accept the finance committee report for February. The motion was seconded by Mona Valdez and passed unanimously.

#### **Executive Committee Report:**

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

#### **Executive Directors Report:**

Randy briefly touched on Conflict Free Case Management. It was decided by the Executive Committee to schedule a meeting for the first week of August or the last week of July to discuss Conflict Free Case Management in more detail. They felt that the meeting would be beneficial since there are so many questions about Conflict Free Case Management and what it all entails and what decisions need to be made and by when. There is a five year implementation plan which would make the deadline July 1, 2022. However, each organization has to make their decisions on what they're going to be doing going forward by July 1<sup>st</sup>, 2018.

#### **New Business**

Board Member Election

Judy Stevens covered the Board Member Election for Pauline Burton. Pauline, who was up for reelection, had agreed to stay on the Board of Directors. Bill Hawthorne made a motion to approve Pauline's reelection. The motion was seconded by Dr. Taylor and passed unanimously.

#### **Public Comment**

There were no audience members present at the meeting.

#### **Adjournment**

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

\*The next Board Meeting will be held June 22<sup>nd</sup>, 2017.