

North Metro Community Services Board Minutes

For the meeting held on

September 22 2016

Dr. Bertagnolli called the meeting to order at approximately 6:00 PM. He said he would entertain a motion to approve the minutes of the June 23, 2016 meeting, approve the agenda for the June meeting and to excuse Pauline Burton, Paul Yantorno and John Coates (all other board members were present). Edie Wallace made the motion, which was seconded by Bill Hawthorne and passed unanimously.

Announcements:

At this point Dr. Bertagnolli noted that there were is a new camera in the boardroom that will be used to record meetings. These recordings will be placed on the website. The board meetings are a closed forum, meaning the board members can freely converse with each other, but audience member are only allowed to speak during the provided time at the end of each board meeting. Audience participation is limited to 15 minutes total. Audience members may request to have more time to speak, but that is up to the board. Dr. Bertagnolli wanted to take this time to recognize Judy Stevens for her integrity and her commitment to the board.

Finance Committee Report:

Doug Shepherd presented the finance report for the months of June, July and August. In the month of June 2016 a net loss of \$153,951 was recognized on revenues of \$2,786,948. The loss in June is typical as we make sure all expenses for the year are captured prior to closing. Year to date we realized a net loss of \$76,688. This loss was \$471,000 worse than what was budgeted for the year.

Comprehensive services department was the area with the largest negative budget variance in the year. Program revenues in day program were short of budget \$320,000 during the fiscal year. This variance is the result of shrinkage in the amount of program served and the effect of the 4 unexpected snow days. The NMCS residential department had a good year as our family care giver and host home programs continue to grow. Our group homes as a whole lost \$356,000 last year. This figure will be better as we closed one group home and one staffed PCA during the year. Our apartment program continues to be a great choice for our more independent people. The high cost of rent has made this program difficult to maintain fiscally. The gap between what we are reimbursed for room and board by social security, and what it costs was \$110,000 last year. We are subsidizing room and board expenses at an average of \$317 per person per month. We are hoping to receive additional Section 8 housing slots to help reduce this gap.

Statement of Financial Position

Despite the loss for the year our financial position remains very strong. Cash in bank at the end of June was \$8,299,304 and current assets are \$12,338,256. Liabilities at June 30th were \$2,709,211 and are all current. NMCS continues to carry no long term debt.

Capital Update

The capital budget for fiscal year 2015/2016 was completed.

Fiscal 2016/2017

July 2016

In the month of July 2016 net revenue of \$133,764 was earned. During the month we performed near or ahead of budget in all program areas. In July we always record sizable nets as we have not received July bills by the time we close payables. Staff has moved the budget for these expenses to June 2017. This will make our budgeted figures match more closely. Staff and host home provider increases of \$75,000 were paid in July. These increases were a combination of one time and merit that were approved as part of the budget.

August 2016

August was a strong month fiscally. Net revenues of \$140,623 were recorded on \$2,739,902 in total revenue. Year to date net revenues are \$274,387 and are nearly \$60,000 better than budget. All program areas compare well to budget. Day program recorded net revenues in the month of August of \$40,922. This net revenue is a direct result of 19 billable program days in the month of August. Payroll expenses were also \$13,000 under budget in the month of August in day program. Currently we have 5 fulltime and 3 part time vacant positions in day program. Day program management has begun filling those vacancies.

The 19 program days also helped the Resource Coordination department generate strong revenues for the month and a positive budget variance overall. The vocational area was the only area that had any considerable negative performance. Additional expenses at the Mint that include \$4,500 in window cleaning were incurred in August as we ended our relationship with the Mint. Our contract ended August 31st. Bayaud Industries has assumed our contract at the Mint and has retained the staff that was working there. Negotiations with Bayaud for purchasing much of our equipment at the Mint are proceeding.

Statement of Financial Position

As of August 31st, 2016 cash in bank balance is \$8,129,516. The balance is \$170,000 less than at the end of June 2016. Current receivables are \$3,543,940 which are \$90,000 less than receivables at year end. Current liabilities are \$2,244,248 which are \$465,000 less than at the end of the prior fiscal year. The 401K payable has no balance as all contributions for staff for fiscal year 2015/2016 were paid in August.

Capital Update

In the month of August we had capital expenditures of \$21,069 for a new shredder for the Data Safe program. Network switches totaling \$18,406 were purchased and installed in August. A \$6,000 deposit on our new vans was made with delivery expected later in the year.

Dr. Warren Taylor moved that the board accept the finance committee report for June, July, and August. The motion was seconded by Mona Valdez and passed unanimously.

Executive Committee Report:

Dr. Bertagnolli didn't have much to say about the Executive Committee except that they had touched on Conflict Free Case Management which Randy would go on to talk more about that in his Executive Directors Report.

Executive Directors Report:

During his Executive Directors report Randy Brodersen focused mainly on the four following topics: Revalidation, Navigant Report, Direct Service Professionals (DSP) Week, and the audit.

Revalidation

Revalidation is a state and federal requirement. The federal government is doing so as a preventative measure against fraud to ensure that all agencies that are billing for Medicaid are legitimate agencies. The state is changing over to a new computerized billing system. All agencies have to submit all necessary applications and have them approved by October 31st in order to be paid. This has become a much more difficult process than originally anticipated. In the last 11 months since the revalidation process was started only 20% of all submitted applications have been approved. North Metro has submitted 10 applications and of those 10, 7 have been approved. Alliance has brought this to the attention of the Joint Budget Committee to see if they can come up with a solution to extend the deadline. This however would require providing money in order to extend the Department of Health Care Policy and Financing's current contracts.

Navigant Report

Randy Brodersen then moved on to the Navigant report. We are currently working with Alliance to address the transition to Conflict Free Case Management. They are preparing comments and concerns to send back to the state. At the end of June the Department of Health Care Policy and Financing finalized their report on Conflict Free Case Management. Conflict Free Case Management bars the delivery of case management and direct services by the same agency or entity. In order to comply with Conflict Free Case Management there are 3 options an agency can choose from

- 1) Become a Case Management Entity
- 2) Provide services only
- 3) Provide both Case Management and Services, but not for the same individual

One of the concerns that was brought up was that none of these options really work for smaller entities or smaller communities. Another concern was all of the services that CCB's provide, but are not compensated for such as the Human Rights Committee and Investigations. These would have to be done by a 3rd party, but there is no budget for that.

Direct Support Professionals (DSP) Week

From there Randy moved on to briefly recap DSP week. George Montoya, Jen O'Shea, Robert Hunter, and Ryan Grygiel were the four main individuals responsible for putting the whole thing together. One day we had a coffee truck and another day we had an ice cream truck. We were also able to get Avalanche and Rockies tickets donated by our insurance providers, which were in turn given to DSP's in a drawing.

Audit Update

George Montoya gave us a brief update of the audit. Field work for our annual audit was completed the week of August 29th. After conferring with the audit partner at JDS Professional Group it was decided to postpone the exit until the October board meeting. There are no anticipated adjustments to the June financials as presented. The holdover was mutually agreed upon to allow adequate review and preparation time for the first audit and exit presentation.

Election of Board Members

Judy Stevens mentioned that there was 1 board member up for reelection, Edie Wallace. Edie was willing to continue to serve on the board. Judy then asked for a motion to reelect the members. Judy Stevens moved to reelect Edie which was seconded Lori Freyta and passed unanimously.

Public Comment Procedure

The board reserves 15 minutes at the end of each board meeting for public comment. Generally individual speakers will be limited to 5 minutes for public comment. However the board president, at their sole discretion, may modify that time limit. Comments can also be submitted to the board in writing. Individuals wishing to speak at the board meeting must sign up before the board meeting, providing their name, address and indicating the topic on which they wish to speak. Any person who would like an interpreter to assist them in providing public comment and any person with a disability who needs accommodation to provide public comment must contact NMCS at 303-255-6501 at least three business days in advance of the meeting to arrange for assistance.

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 Dr. Warren Taylor and passed unanimously.

*The next Board Meeting will be held October 27th. 2016.