

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

**For the meeting held on**

**December 6<sup>th</sup>, 2018**

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 October 25, 2018 meeting, approve the agenda for the December meeting and excuse Matt Drumm, Farhad Kargar, and John Coates, all other members were present. Dr. Taylor made the motion, which was seconded by Mona Valdez and passed unanimously.

### **Finance Committee Report:**

#### **October 2018**

##### **Statement of Activities**

In October 2018 net revenue for the month was \$69,613. The year to date net revenue is \$663,607. In comparison to budget, net revenue is ahead of budget \$26,000 for the month and \$86,000 year to date. Overall revenues continue to lag behind projection by just over \$200,000. The bulk of this revenue shortfall is in our Supported Living Services area. The Supported Living area is \$187,000 short of budget for revenue, with the vast majority being Medicaid SLS revenue. We will continue to see revenues come up short in Supported Living until we can begin to backfill people in that area.

Overall financial performance was mostly comparable to budget and performance is as expected. The budget variances in Administration and Early Intervention are the result of a journal entry of nearly \$75,000. This journal entry balanced funding to the Early Intervention contract we are currently being paid through. This contract is based on last year's funding methodology. This adjustment puts administration ahead of budget and Early Intervention a bit behind budget. Early Intervention will be back on budget once the new contract is executed and we begin earning revenue based on it. Day Program is on budget for the month and despite their revenue shortage Supported Living is close to budget as well.

In the Vocational area we outperformed budget considerably in the month. This variance against budget is related to salaries and benefits being under budget by \$20,000 in the month. This variance is related to staff vacancies at Buckley that are being refilled. Resource Coordination outperformed budget in the month of October. Salaries being over budget by \$17,000 were more than offset by additional revenues of \$22,000.

##### **Statement of Financial Position**

Cash balance at the end of October is \$6,385,528 and is \$566,085 more than at the end of September. Overall receivables increased by \$130,000 from the end of the prior month. Progress was made on our receivable from the state. The state receivables collection is offset by a higher Medicaid receivable caused by increased monthly revenue, and the Buckley contract receivable. Current liabilities are \$700,000 higher due to the timing of electronic payments to our host home providers. They were paid

on October 31<sup>st</sup> but those payments were not deducted from our bank account until November 1<sup>st</sup>. An accrual for the new vans in the amount of \$229,000 was recorded in October with the corresponding payment in November.

### **Staff Salary and Benefit Increases**

A salary plan has been developed that will utilize additional funding related to HB-1407 that is budgeted to generate \$403,802 in the current fiscal year. These funds are required to be expended for compensation and benefits to our direct service professionals (DSP). Additional funding from the 6.5% increase to our Medicaid provider rates will not start until 3/1/19. However, we have decided to increase wages and benefits effective January 1, 2019. These increases will be implemented in two phases occurring January 1 and July 1, 2019. Our DSPs will see a minimum increase over the two phases of 6.5% but some increases will be as much as 16.5%. This additional funding will allow us to increase our minimum starting wage in Day Program to \$14.40/Hour and Residential to \$15.45/Hour by July 1, 2019. That reflects \$1.40/Hour increase in our Day Program wage and a \$2.20/Hour increase in Residential starting wage. The \$116,979 budgeted for salary increases that were not DSP's will be distributed to all other staff. These increase that are effective 1/1/2019 ranged from 4% to 6.5%. In addition to the salary increases we will be increasing company contributions to our 401K and 457 retirement plans by .5%.

### **Capital Expenditure Report**

Our 6 new vans were received in October at a cost of \$258,510 and we will begin modifying them to accommodate passengers that use wheelchairs.

Edie Wallace made the motion to accept the Finance Committee report, which was seconded by Mona Valdez and passed unanimously.

### **Executive Directors Report:**

In order to continue with the conflict free case management, they were planning on implementing new case manager qualifications and case management agency qualifications. Those changes/rules have to go through the Medical Services Board at the state and when they did that they ran all of the rules through, but those rules have not been updated in the last 15 years. That along with some other concerns that were brought up during the hearing caused the Medical Services Board to vote the rule changes down. This means that the Healthcare Policy and Finance Committee has to go back to the drawing board and go back through the stakeholder process. This will slow down the implementation of the conflict free case management.

### *Legislative Audit Committee Hearing*

The Hearing was on December 3<sup>rd</sup>, 2018. Healthcare Police and Finance took most of the heat due to billing logs. There were duplicate billings because of computer problems.

We received the report back from the Office of State Auditor's review and overall North Metro is looking pretty good. NMCS had only \$4100 in question costs whereas other boards had tens of thousands.

**New Business**

*Increase 401(k)/457 contribution from 4% to 4.5%*

NMCS is increasing the amount of money they will contribute to employees 401(k) from 4% to 4.5%.

**Director's Report**

Carrie Morris, the director of SLS came to give the board of directors an update on her department. Her department has 194 people receiving a waiver service. The services provided by SLS include respite, personal care, supported community connections, mentorship, homemaker, and community connector. SLS has switched their focus to people who need 1:1 services for the majority of their plan. This allows SLS to hire family members to care for their sons or daughters, grandkids, etc. when other providers are unlikely to be found. This helps with peace of mind, service satisfaction, better use of SLS plans, and decreases the possibility for frustration due to lack of providers. Referrals are being turned down if there is not a significant support needed. This has increased SLS's ability to focus on quality service and best practice with monitoring, training, and plan utilization.

**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. Taylor and passed unanimously.

\*The next Board Meeting will be held January 24<sup>th</sup>, 2019