# North Metro Community Services Board Minutes

**For the meeting held on June 23, 2022**

The meeting was called to order at approximately 6:00 PM. President Dr. Bertagnolli said he would entertain a motion to approve the minutes of the April 28th meeting, approve the agenda for the June 23rd meeting and excuse John Coates and Brian Kraft. Edie Wallace made the motion and it was seconded by Pauline Burton and passed unanimously. Dr. Bertagnolli introduced Gina Corrieri who is considering joining the board. Gina is the branch manager of the Vectra Bank in Westminster at 72nd and Irving Streets.

## Finance Committee Report

Before Doug started his report Dr. Bertagnolli asked George to provide a short overview of the program areas which include Administration, Day Program, Support Services, Residential, Vocational, Resource Coordination and Early Intervention. George provided that overview to the board. Doug Shepherd then presented the April and May Financials.

## April 2022 Financial Summary

In the month of April 2022 a net loss of $114,347 was recorded which is $204,832 less than the monthly budget. The net loss for the month is driven by a payroll liability of $274,135 recorded in Resource Coordination. This liability was approved by the board of Directors during the April 2022 meeting and recognizes the liability associated with a proposed severance package for RC. The large accrued expense was partially offset by additional revenues recorded for our Mill Levy contract. An additional $167,000 in revenue is recorded in Administration to reflect the increase of $500,000 in our contract with Adams County.

Year to date net revenues of $504,438 have been earned which is $565,141 better than what was budgeted YTD.

## May 2022 Financial Statements

Statement of Activities

In the month of May 2022 net revenue of $64,602 was earned. This is $64,208 better than budget in the month of May.

Year to date net revenues are $569,040 and are $629,349 more than what was budgeted for the year.

Administration

* In the month of May net revenues totaled $54,800 and are $33,668 better than budget for the month. The monthly variance is a direct result of the additional $41,667 in Mill Levy funding we will receive each month.
* Year to date net revenues are $1,180,646 which is $932,185 better than what was budgeted. One time funding from Adams County and capital gains from the sale of Cottonwood House create the large variance in Administration.

Day Program

* Day program had a net loss of $99,360 in the month of May. The loss was $10,000 less than what was projected in the budget.
* Day Program has total losses of $820,062 which is $365,843 better than budget for the year. Total revenues in Day Program are nearly 1 million dollars more than what was budgeted.

Supported Living Services

* Supported Living Services had net loss of $13,805 in the month of May 2022, which is $28,746 worse than budget.
* Year to date Supported Living Services has $14,179 in net revenues year, which is $96,041 less than budget.

Residential

* The residential department earned net revenues of $90,293 in May. This performance is $10,340 better than the monthly budget.
* Year to date net revenues are $543,364 and are $151,896 less than budget for the year.

Vocational

* The Vocational Department had a net revenue of $79,760 in the month of May 2022 which was $86,346 better than budget for the month.
* Additional revenues of $109,785 were recorded from sale of supplies, vehicles, and equipment.
* Supplies expense was over budget by $28,054 for the month. This variance is a result of a $31,000 adjustment to inventory upon closeout of the contract.
* The contract officially ended on May 31, 2022 but there will be some additional expenses recorded in June.

Resource Coordination

* A net loss totaling $25,398 was taken during the month of May 2022. This is $31,650 worse than budget.
* Salaries and benefits were over budget $17,645 and roof repairs of $14,500 create the variance in the month.

Early Intervention

* Early Intervention recorded a loss of $21,688 in the month of May and was $16,219 worse than budget.
* YTD a net loss of $13,565 has been realized which is $4,781 worse than budget for the year.

Statement of Financial Position

* Cash balance is $10,070,349 as of the end of May. This balance is $223,000 less than at the prior month end.
* Accounts receivables balance is $4,127,312 and has increased $475,402 since the end of April. The bulk of the increase in receivables if for Buckley $124,950 and Mill Levy of $176,709.
* Current Liabilities are $2,449,405 as of May 31, 2022.

Capital Budget Update

In the month of May, there were total capital expenditures of $77,798. A Mini-Van was purchased for use in Day Program at a cost of $39,380. Two servers were purchased as replacements for our network at a total cost of $30,343. The renovation project is still being completed and a progress payment of $8,075 was made to the contractor.

## Budget Proposal

The budget proposal projects total revenues of $29,377,357 with expenses of $29,301,789 resulting in a budgeted net revenue of $75,868. Staff has made changes based on current information available since the prior budget proposal. Total revenue reflects approximately $850,000 in additional revenues from the first budget draft. The biggest change in revenues is in Early Intervention as $500,000 was added to revenue to reflect the expansion to include evaluations for Adams County and the proposed contract amendment that we expect to be approved. State revenues were also increased in the current draft to reflect contract changes. The increased revenues are primarily pass thru so do not have much impact on net revenue.

Salaries are reflective of current staffing including vacancies and additional positions planned in Day Program as we hope to continue to add staff to address people waiting for services. The Residential budget reflects moderate growth and the salaries reflect projected additional salary expenses related to our Family Care Giver Program. The budget maintains the full benefit package for staff with all insurances 100% paid for. Health Insurance had a 6.11% increase in the current plan year. The balance of the employee benefits had little change during the renewal process. The benefits budget maintains the 4.5% company contribution to the 401K and 457 retirement plans.

The budget reflects a 3% across the board salary increase for most staff. Family Care Givers would receive a 2% increase that matches the 2% rate increase from the state. Resource Coordination and Early Intervention will receive an additional 5% increase as we continue to protect staffing in these areas.

Our insurance expense projections are actual as the renewals have been finalized. Overall insurances for property and liabilities decreased by $25,000 from the current year. Increase were seen for property insurance, auto, and Cyber Liability while we saw decreases in work comp and general liability.

Administration

* Administration is projected to earn $325,665 in net revenue.
* The revenue reflects the increase in our Mill Levy contract with Adams County. Our annual Mill Levy was increased by $500,000 in the current contact and is currently $2,120,512.
* Developmental Pathways will receive a pro rata 17% increase or $85,000 based on the additional funding.
* There is $200,000 in additional expenses under Administration that reflects the launch of our expanded help fund grant program.

Day Program

* Day Program is budgeted to have a loss of $803,581 in the next fiscal year.
* Revenues continue to grow in Day Program and are budgeted 35% higher than what are budgeted for the current year. Ongoing rate increases have helped in the revenue recovery.
* Day Program revenues are still unpredictable as staffing shortage and Covid impact service revenues.

Supported Living Services

* Supported Living is budgeted to earn $77,054 in net revenues.
* The net revenue projection is largely based on decreased salaries in the department as we restructure the management staffing in the department.
* Revenues in Supported Living are expected to grow moderately in next Fiscal Year as the migration has slowed and ongoing rate increases support the services provided.

Residential

* Net revenue of $745,699 is budgeted for the next year.
* The residential department continues to show moderate but steady growth in the number of people served.
* The Family Care Giver program is the area that continues to grow as the Host Home program has had only minimal growth.

Vocational

* The Vocation Program consists of only the Data Safe program and projects loss of $30,183 in the next fiscal year.

Resource Coordination

* The Resource Coordination department is budgeted to lose $200,139.
* The loss reflected in the budget is based on salaries. The increased salaries are necessary to maintain adequate staffing as we approach the separation of case management on 6/30/24.
* There is a possibility that we would receive additional funding in Resource Coordination from the State of Colorado to assist in retention of staff as we near transition. There is nothing reflected in the budget as this is still uncertain.

Early Intervention

* Early Intervention is currently budgeted to lose $39,289.
* The losses relate to anticipated salary increases that will not be fully covered by our contract.
* The Early Intervention evaluations are budgeted as breakeven based on the uncertainty in the number of evaluations we will be completing.

## Capital Budget

The Capital Budget contains a total of $359,801 in capital expenditures. The bulk of this expense is related to our purchase of 6 new vans. The vans include 2 Ford Transits with modifications, 2 Mini Vans equipped with lifts, and 2 Mini vans without lifts. The total for vehicle purchases in the Capital budget is $326,240. A new network firewall will be added at a cost of $33,561. This firewall will enhance the security of our network. Our network security is a critical priority as Cyber threats are an ever increasing problem.

There are some additional large expenditures planned that are reflected in the operating budget as they will be directly expensed. Our PC replacement plan is estimated at $77,578 and will replace 30 Laptops and 10 desktop computers. These replacements will primarily be done in Residential, Day Program, and Resource Coordination.

The office windows on the main building will be replaced. The current windows are 15 years old and have leaks and many do not open and close correctly. The budget cost is $62,250 and will replace 45 windows with upgraded glass. This will help with the energy efficiency of our building.

The maintenance department has recommended replacement of 7 evaporative coolers that operate in the warehouse. They are rusting and operating poorly. The cost for the replacement of the evaporative coolers is $23,731.

Bill Hawthorne moved that the board approved the budget as presented, Warren Taylor seconded the motion and it passed unanimously.

**Executive Director’s Report**

Randy Brodersen told the board that there were no outstanding issues to report this month. Hiring continues to be a challenge, especially for Day Program and we still have a waiting list there because we can’t hire enough staff to support everyone who wants services. He noted that we had our first monthly social today for the people we support since the Pandemic began. He said the socials are important opportunities for the people we support to see their friends and it also gives our staff a better idea of why we are here and why our work is important. Randy expressed some concern about the coming legislative session since the State will soon be running out of American Recovery Plan Act dollars and that could make funds for rates or additional allocations hard to find.

## New Business

Randy reminded the board that we currently have a resolution in place that allows executive management to approve expenditures outside of the budget up to $10,000 without prior board approval. This resolution was put in place at least 15 years ago and as costs have increased that sum is not always sufficient. For example we recently had a commercial water heater fail and the replacement cost $18,000. Consequently staff proposed the following resolution:

Whereas, NMCS has granted spending authority to Randy Brodersen and George Montoya to a maximum amount of $10,000 for single expenditures not approved as part of the budget and

Whereas NMCS wishes to increase spending authority for Randy Brodersen and George Montoya to $20,000,

Now Therefore be it resolved by the Board of Directors of NMCS that Randy Brodersen, CEO and George Montoya, COO/CFO of NMCS are hereby authorized to expend up to $20,000 for a single expenditure not prior approved as part of the annual budget.

Doug Shepherd moved that this resolution be approved by the board, Warren Taylor seconded that motion. The motion was approved unanimously.

**Adjournment**

Dr. Bertagnolli said he would entertain a motion to adjourn the meeting. Pauline Burton made the motion which was seconded by Doug Shepherd and passed unanimously. The meeting was adjourned at 7:05 PM.