

North Metro Community Services Board Meeting

June 27, 2024, 6:00 PM

Board Room, Second Floor 1001 W. 124th Ave.

Minutes

Dr. Bertagnoli called the meeting to order at 6 pm. He asked for a motion to approve the April 2024 Board minutes, approved the agenda for June, and to excuse Farhad Kargar, Josh Dobratz and John Coates.

Motion: Brian Kraft/ 2nd: Bill Hawthorne/ Motion Carries

Finance Committee Report:

Doug presented the Financials for May 2024 (see attached).

George presented the Financials for April 2024 (see attached).

George also reported to the Board that we are finally ready to submit our application for the Class A Licensure. He will be coordinating with the appropriate Board members for signatures.

Motion: Brian Kraft/ 2nd: Hannah Martinez/ Motion Carries

Executive Committee Report:

Dr. Bertagnoli informed the Board that there was no Executive Committee Report this evening.

Executive Director's Report:

Randy reported that the 60th Anniversary Celebration went very well. There were approximately 600 people in attendance. Lots of great food, activities and a live band. This was all put together by a committee of North Metro Community Services (NMCS) employees and one past employee.

We also held the NMCS Annual Achievement Awards in May at the Westminster City Park and Recreation Center. We handed out 16 awards this year and the event was also well attended. Randy stated that we are thinking about moving this ceremony back to our building in the future and may also expand on the awards including employee of the quarter and employee of the year. Without Resource Coordination we do not have as many nominations as we have had in the past, so we are also thinking about soliciting nominations from other agencies for other types of awards. We want NMCS to be the "go to" agency in Adams County. As of July 1, 2024, NMCS will be providing early intervention service coordination to the families that live in the

city of Aurora but are Adams County. We want to be “the agency” to help people across the county. As for moving the awards ceremony back to our building, we are currently working to improve the acoustics of the atrium.

Randy reported that the budget proposal has been submitted to the county and we are hoping for an increase to help improve the lives of people with intellectual/developmental disabilities here in Adams County.

Rocky Mountain Human Services (RMHS) transition is still in progress and there have been some improvements. RMHS have had a lot of turnover including one of their top executives. There is still concern regarding how long it is taking people to get services.

Randy also informed the Board that we are getting a new payroll and Human Resources system, which will be implemented on July 22, 2024. We are also looking at solar power for the main building.

Dr. Bertagnoli reminded everyone that there are no Board or Finance meetings in July or August, and the next meetings will be on September 27, 2024.

New Business:

George presented the proposed 2024-2025 Budget. Total Projected Revenue is \$29,151,272 with expenses projected at \$28,966,494. Without Resource Coordination, projected expenses are \$26,237,791.

Location	Projected Revenue	Projected Expenses	Projected Net Revenue
Administration	\$2,827,814	\$2,543,488	\$284,326
Day Program	\$3,700,500	\$4,484,675	\$(784,175)
Supported Living Services	\$2,282,131	\$2,097,168	\$184,963
Residential	\$14,480,305	\$13,707,365	\$772,940
Early Intervention	\$5,820,522	\$5,779,401	\$41,121
Home Health	\$40,000	\$84,397	\$(44,397)

Capital Budget Items total \$232,465 that includes 3 vehicles, a snowplow, replacing the roof of Clayton House, and sound system for the atrium.

We did save money by switching our medical insurance to Cigna. This resulted in approximately \$165,000 in savings. We are looking at salary adjustments for staff with those savings with a possible 4% increase in staff salaries. For our DSP’s, there is the additional \$1.25 per hour increase from the State, so for those employees, it works out to be a 6% to 8% increase.

Independent contractors and host home providers (HHP) will also get an increase from 5.1% to 6.6%, depending on their individual's level of need.

Regarding the Early Intervention (EI) program, the Service Coordinator's (SC) are either degreed or have at least 5 years' experience. Our starting salary for these positions is \$22.50 per hour, which makes it difficult to retain EI staff. Although, we do have a core group of people that have been working in that department for 10-15 years. And, since we are taking over the Adams County portion of Aurora starting July 1st, this will generate approximately \$170,000 for us. This will allow us to increase our EI budget by 13.3%. We will be increasing the starting wage for EI SC's as of July 1, 2024.

Retention of all employees – we do have employees throughout the agency that have basically made a career out of NMCS. For those folks, we are going to provide an enhanced retirement plan and they will get an additional .5% contribution for every 5 years they have worked here.

With the change in health care providers to Cigna, employees will have to start paying \$15 per month for health insurance. In order to help offset this cost, we do have a cafeteria plan and employees will be getting \$100 added to their plans for copays. We have found that our employees under age 26 often take our insurance even though they are still covered under their parents' plans. The \$15 per month charge should keep them from being double covered and save NMCS about \$40,000 per year.

Motion: 1st: Bill Hawthorne/ 2nd: Hannah Martinez/ Motion Carries

Public Comment:

No public comments.

Adjournment:

Dr. Bertagnoli adjourned the meeting at 6:50 pm.

Motion: 1st: Edie Wallace/ 2nd: Hanna Martinez/ Motion Carries

The next meeting will be held on September 27, 2024 at 6:00 pm.

NORTH METRO COMMUNITY SERVICES, INC.

FINANCE COMMITTEE

MAY 2024

BOARD MEMBERS:

Bill Hawthorne
Doug Shepherd
Warren Taylor
Dr. Ed Bertagnolli
Cheryl Candelaria

NMCS STAFF PRESENT:

Margarito Gandarilla
Randy Brodersen
George Montoya

April 2024 Financial Statements

Statement of Activities

In the month of April 2024 net revenues of \$72,199 were recorded. The net revenue for the month is \$26,909 better than budget. Total Revenues in the month were \$2,367,118 and were \$75,348 more than what was budgeted for the month. Year to date a net loss of \$158,752 is reflected in the financials. The net loss is over budget by \$283,899. All program areas were near or better than budget in the month of April.

Administration

- Net revenues of \$44,703 were earned in administration in the month of April which is \$8,552 better than what was budgeted for the month.
- Net revenue for Administration is \$223,740 year to date and is under budget by \$106,471 for the year.
- Administrative expense is \$22,883 less than budget with the variance being caused by the change in Mill Levy payments to Developmental Pathways.
- Expenses for the help fund grant program totaled \$25,090 which is about \$5,000 more than budget for the month.

Day Program

- For the month of April a loss of \$50,216 was recorded in Day Program. The loss for the month was \$23,117 less than what was projected.

- Revenues in day program were \$329,118 in total and were \$20,686 more than budget in the month. April revenues reached levels that were close to pre-pandemic performance.
- The strong revenues were earned on 18 days of program in the month.
- Attendance remains strong at 88.9% of full attendance in April.
- Brighton Day Program earned net revenues of \$9,062 in the month of April on strong revenues and reduced overhead costs.

Supported Services

- Supported Services earned net revenues of \$15,317 and outperformed budget by \$5,014 during the month.
- Year to date net revenues are \$57,012 and are \$13,695 less than budget for the year.

Residential

- The residential program earned net revenues of \$50,355 during the month of April. The net revenue for the month is \$17,806 less than budget.
- Total revenues for the month of April are \$1,111,001 and are less than budget by a total of \$25,928.
- The residential program is in the process of enrolling 5 new people.
- Year to date net revenues in Residential are \$565,892 and are \$210,252 less than budget.

Early Intervention

- The Early Intervention program earned net revenues of \$12,041 and is \$8,033 ahead of budget for April.
- Revenues in Early Intervention in April totaled \$513,944 and are \$130,960 more than what was budgeted.
- The revenue variance is related to higher than forecasted direct services. The revenues represent strong service delivery that create pass thru revenues.
- The EI program is continuing to recruit staff to fill vacant coordinator positions.

Statement of Financial Position

Cash balance is \$9,833,768 as the end of April 2024. This balance reflects an increase of \$735,567 since the prior month end. Total accounts receivables are \$3,141,737 and are nearly equal to the prior month end balance. The number of eligibility issues has stabilized in the last month. Staff will continue to be diligent in follow up and resolution of eligibility issues. Liabilities total \$2,531,078 and have increased by \$600,000. The increase in liabilities is nearly all related to deferred Mill Levy revenue.

Capital Update

There were no capital purchases in the month of April 2024.

Class A/Medicare Update

The Medicare application is still on hold as we await the IRS to process amendment related to our legal business name.

2024/2025 Budget Draft

The initial draft of the 2024/2025 budget projects net revenue of \$464,006 on total revenues of \$28,377,136. Revenues for programs continue to increase and will largely offset the revenues lost in Resource Coordination. Projected revenues are conservative based on projected rate increases from the state. Rate adjustments are targeted to increase DSP salaries by \$1.25 per hour in Day Program, Residential, and Support Services. Revenue numbers may change once we receive finalized rates for next year. This is not anticipated to have a negative impact based on the conservative budgeting of potential rate increases.

Projected expenses for budget year 2024/2025 total \$27,913,130. The change in our health insurance from Kaiser to CIGNA resulted in a 5.62% decrease in premiums. The premium deductions resulted in a projected \$165,000 savings in health insurance cost in the upcoming fiscal year. The budget includes salary increases for DSPs of \$1.25 per hour which will result in a minimum starting wage of \$19.50 per hour. All other staff are budgeted to receive a 3% increase in wages. Host Home providers and Family Care Givers will receive percentage increases equal to the targeted adjustments from the state. The budget includes a continuation of the holiday bonuses at an equal level to last year.

Staff has included an increase in the retirement contributions for staff. All staff will receive a minimum 4.5% contribution with an increase of an additional .5% for every 5 years of employment with NMCS. Staff will be asked to contribute \$15 per month towards their health insurance costs. This will be largely offset by a \$100 annual contribution to each employees FSA account to help cover costs of medical visits and prescriptions.

Administration is budgeted to earn \$534,931. The annualized increase in Mill Levy funding will provide an additional \$144,000 in revenue. Expenses are reduced by \$360,000 as Developmental Pathways will no longer be providing services in Adams County. The Grant program will be increased to \$300,000 to allow for additional funding for City of Aurora requests. In addition to the increase in grant funding there will be an annualized \$200,000 set aside for future costs to support services in Adams County. The current year budget reflects a \$50,000 increase in the current fiscal year's budget which coincides with next Mill Levy contract which will start April 1, 2025.

Losses in Day Program are expected to continue their positive direction and are budget to be \$813,400. Total revenues in day program are projected to be \$3,600,000. Revenues in day program are reduced to account for an anticipated 3 snow days. Additions to services and reduced costs associated with Brighton Day Program have had a positive impact on overall day program performance.

Supported Living Services is projected to earn \$119,900 in the next fiscal year. The CES and SLS programs have performed consistently in the past few years. The consistency of the margins earned for services in these programs create small but consistent net revenues. Staff in SLS continue to try and attract more people to provide services for.

The Residential program is projected to earn \$645,800 in the upcoming budget year. Due to the uncertainty in enrollments there was no growth projection added in residential. The program has seen some recent increases which will help to negate any enrollment losses within the program.

Early Intervention is budgeted to have a small net revenue in FYR 24-25. The evaluation program will continue to earn net revenues. Net revenues in Early Intervention will largely be dependent on overhead costs of the program being maintained. Financial restrictions within the new contract for Early Intervention will not allow us to be reimbursed for holiday bonuses or retirement increases.

The Home Health department was added to next year's budget. Services through this area will begin in the next year. The budget for home health is rudimentary as projections for this area are difficult to predict currently. This area is likely to generate a loss on startup of the program.

The budget will be reviewed and updated as we receive finalized rate information and updated quotes for our property & casualty insurance lines. These items are expected in the first part of June. The budget will be presented to the entire board of directors at the June meeting.

Capital Budget 2024/2025

The Capital Budget for next year is \$220,465 in total. The budget includes funding for three new vehicles to be used in day program. The roof at Clayton House needs to be replaced and \$15,000 is budgeted for that projected. A new plow for the maintenance truck is also being requested as the old one is worn out.

There was consensus that the Finance Committee recommends to the Board of Directors the approval of the financial reports for APRIL 2024.

NEXT MEETING: June 27, 2024

Respectfully submitted,

Doug Shepherd

Treasurer



NORTH METRO COMMUNITY SERVICES, INC.

FINANCE COMMITTEE

APRIL 2024

BOARD MEMBERS:

Bill Hawthorne
Doug Shepherd
Warren Taylor
Dr. Ed Bertagnolli

NMCS STAFF PRESENT:

Randy Brodersen
George Montoya

March 2024 Financial Statements

Statement of Activities

In the month of March 2024 net revenues of \$69,505 were earned. The net revenue for the month is \$20,909 less than what was budgeted for the month of March. Total revenues for the month were \$2,261,924 and are near budget for the month. Medicaid revenues are \$71,877 less than budget with state revenues being over budget by \$62,521. Total expenses in the month of March totaled \$2,192,419 and were over budget in total by \$15,680. Year to date we have a net loss of \$230,951 and are behind budget by \$310,808. The budget variance is 1.4% as a factor of total expenses. Historically the month of April and May are good months financially and we hope to continue earning net revenues as we approach the end of the fiscal year.

Administration

- Net revenues of \$10,011 were earned in administration in the month of March which is \$30,833 less than the budget \$40,844.
- The variance in the month are related to total expenses being over budget in staff costs and expenses in the help fund.
- The variance in salaries is a combination of increase of accrued vacation accrual expense and the catch up of executive salaries approved in March.
- Help fund expenses of \$23,016 during the month are about \$4,000 over what was budgeted for. There were a number of high dollar grant requests funded.
- Year to date net revenues in Administration are \$179,038 and are \$115,022 less than budget.

Day Program

- Day Program recorded a loss of \$69,558 in March which is \$10,345 worse than budget during the month of March.
- Total revenues in Day Program were \$9,692 less than budget.
- Only 15 days of Day Program were provided in March which helps create the loss in the month. The 15 days of program was a result of losing a day of service due to weather and only 16 days of service scheduled in the month of March.
- The weather closure reduced revenues by an estimated \$21,000
- Attendance was 89.5% of full attendance in March.
- Repairs and maintenance expense were over budget by \$7,083 as a result of a transmission replacement on one of our Day Program vans.

Supported Services

- Supported Services earned net revenues of \$12,364 and outperformed budget by \$10,868.
- Year to date net revenues are \$41,695 and are \$18,709 less than the budgeted \$60,404.
- Both the SLS program and CES program are consistently earning net revenues.

Residential

- The residential program had a strong month of March and earned \$105,086 which was \$23,384 better than budget for the month.
- Revenues in residential continue to run behind budget but have improved as we begin to add new enrollments.
- Overall expenses in residential were less than budget by \$61,318 in the month of March despite continued higher than budget overhead expenses.
- The residential staff continue to pursue new enrollments and respond to RFP in hopes of sustaining growth in the program.

Early Intervention

- The Early Intervention program continues to perform well as they earned \$11,611 in net revenues during the month of March.
- The Early Intervention Evaluation program has stabilized in the past couple of months after reducing schedules to match demand for evaluations.
- Early Intervention has been busy refilling vacant staff positions and adding new positions as they prepare to absorb the Adams County Aurora area.
- Funding was secured from EI Colorado to start prefilling positions in order to facilitate the increase services for Adams County Aurora.

Statement of Financial Position

Cash balance is \$9,098,201 as the end of March 2024. This balance reflects a decrease of \$201,537 since the prior month end. Accounts receivables continue to increase and are currently \$3,134,111 and have

increased by \$159,969. Changes by HCPF have had a positive impact on clearing up some eligibility issues with the people we serve. These improvements help but are being offset by others becoming ineligible. This situation will remain cyclical while our Case Management Agency and Adams County Social Services clear the backlog of applications and eligibility recertifications. Liabilities total \$1,919,450 and reflect a decrease of \$153,423.

Capital Update

There were no capital purchases in the month of March. The Finance department is working with the program areas to clean up booked assets that we no longer have. All of these items are fully depreciated and retirement will not have a net impact on assets.

Class A/Medicare Update

Our Medicare application is delayed as we work through some business name inconsistencies between the IRS and the Secretary of State. Our name is abbreviated due to character limitations from our original taxpayer ID paperwork with the IRS causing it not to match other registrations. The request to the IRS has been submitted and we are awaiting the changes to be made before our Medicare application can be completed and submitted.

IT Changes

Our long term IT Director resigned. The IT Director position will not be refilled. IT needs will be managed in house by our IT Specialist and we will contract services for network support and additional user support that exceed the capacity of our IT Specialist. This strategy is expected to be more cost effective and seamless than in hiring a new IT Director.

2023/2024 Budget

Staff is preparing the first draft of the budget for next fiscal year. This draft will be presented to the Finance Committee at next months meeting.

There was consensus that the Finance Committee recommends to the Board of Directors the approval of the financial reports for MARCH 2024.

NEXT MEETING: May 23, 2024

Respectfully submitted,

Doug Shepherd

Treasurer

