

## North Metro Community Services Board Meeting

September 26, 2024, 6:00 PM

Board Room, Second Floor 1001 W. 124<sup>th</sup> Ave.

### Minutes

## Call to Order

Dr. Bertagnoli called the meeting to order at 6:00 p.m. and asked for a motion to excuse Warren Taylor, Edie Wallace, John Coates, Brian Kraft, and Farhad Kargar from today's meeting.

Motion: Doug Shepherd / 2<sup>nd</sup>: Cheryl Candelaria / Motion Carries

## Board Re-Election

Dr. Bertagnoli asked for a motion to vote on the re-election of Board member, Doug Shepherd.

Motion: Bill Hawthorne / 2<sup>nd</sup>: Hanna Martinez / Motion Carries

## Introduction of Potential Board Member, Venesa Bremer

Venesa Bremer expressed her interest in becoming a North Metro Community Services (NMCS) Board Member. Venesa is the parent of a child with cerebral palsy, who has physical and cognitive disabilities. Randy shared her resume with the Board and explained how Venesa got involved in wanting to join the board. Venesa has worked as a CNA for her son for the past 15 years. She has also worked as a medical assistant and unit coordinator at National Jewish Health in the pediatric care unit for 10 years. She also holds an Associate of Applied Science (AAS) degree in business management. At the end of tonight's meeting, there were not enough Board members for a quorum to take a vote for her joining the board, so that will happen at the next board meeting.

## Finance Committee Report

Doug Shepherd reported on June, July and August 2024 Financials

### **June 2024 Financial Statements**

#### Statement of Activities

Operations in the month of June 2024 resulted in a net loss of \$15,819. The net revenue for the month is \$81,956 less than budget. Total Revenues in the month were \$2,324,097 and exceeded the budget by a total of \$60,168 in the month. Expenses in June were higher than typical as year-end procedures capture all expenses through the end of the year. June also included an accrual entry that increased salary and benefits expense by \$33,000. This accrual had an impact on all departments. Year to date we recorded a net losses of \$60,713, which was \$323,960 worse than the budget for the year.

### Administration

- Net loss in the month was a result of the salary accrual adjustments and administrative expenses related to the Grants program. The \$4,913 loss in the month was \$60,000 less than budget.
- In Administration year to date net revenue was \$267,697 and was short of budget by \$176,493.
- The budget variance for the year is a result of less than expected revenues from our state contracts following the separation of our case management unit. Salary expenses were also over budget from the addition of the two system navigator positions.
- Net revenue for Administration is \$272,610 year to date and is \$116,252 less than budget for the year.

### Day Program

- Day Program had a net loss of \$72,869 in the month of June. The loss for the month was \$3,706 better than budget for the month.
- Total revenues of \$290,977 were nearly equal to the budget in the month of June.
- Day Program recorded a net loss of \$940,109 for the year and beat budget by \$59,450.
- Attendance was at 90.45% in the month.

### Supported Services

- Support Services earned net revenues of \$6,872 in the month of June which was 5,864 ahead of budget for the month.
- Year to date net revenues were \$73,310 and were within \$10,000 of the budget YTD.
- Total revenues for the year were \$110,00 less than budget for Medicaid revenue.

### Residential

- The residential department had net revenue of \$36,062 in the month of June.
- Year to date net revenues in residential were \$679,048 but finished \$230,064 under budget for the year.
- Total revenues in residential finished over \$400,00 less than budget. Growth for the year in residential was near zero, due to attrition. There was little change in the total number of people enrolled in residential due to attrition.
- The apartment program recorded a loss of \$168,275 in the year while the Family Care Giver and Host Home programs continue to perform well fiscally.

### Early Intervention

- The Early Intervention program earned net revenues of \$126,536 for the year and out-performed budget by \$32,035
- The second year of the evaluation program was successful both programmatically and fiscally. The Evaluation program earned a total of \$3,252 in net revenues for the year.
- The service coordination area of Early Intervention performed well based on lower-than-expected overhead costs and strong Targeted Case Management billing during the year.

### Resource Coordination

- NMCS ended its responsibilities for adult case management as of October 31, 2023.
- A net loss of \$267,195 was recorded for Resource Coordination.
- The loss in Resource Coordination resulted from efforts to maintain adequate staffing that assured case management services through the close out.
- All staff received retention bonuses and severance payments that totaled \$478,000. These expenses were only partially offset by \$40,000 in payments from the state.

### Statement of Financial Position

Cash balance was \$9,104,079 at year end June 30, 2024. The balance in cash is \$466,472 less than at the end of May. Accounts receivable show an increase of \$194,894 and have a total balance of \$3,622,215. Overall receivables have increased as we have navigated through the systems changes and recertification for Medicaid. The State of Colorado has implemented several assistive measures to help agencies collect their open receivables. Staff continue to work through denials and have made significant progress in the past few months. Total liabilities were reduced by over \$200,000 since the end of the prior month.

### Capital Update

A van conversion was completed at a cost of \$13,505. For the fiscal year the capital budget was under budget by \$11,502 for 23/24.

## July 2024 Financial Statements

### Statement of Activities

July began the new fiscal year with \$90,121 in net revenues. The net revenues for the month exceeded budgeted net revenues of \$30,525. July reflected good fiscal performance in most areas. Total revenues in the month of July were \$81,471 more than what was projected for the month. There are some variances within departments, but the budget is reflective of overall projections.

### Capital Update

A mini van with a lift was purchased at a cost of \$49,155.

### **August 2024 Financial Statements**

### Statement of Activities

In the month of August 2024 net revenues of \$157,257 were earned. The net revenue for the month is \$33,807 better than what was budgeted for the month. The month of August financials reflect good performance in all program areas. Year to date net revenue totals \$247,388 and is \$64,232 better than budget year to date.

### Administration

- Net revenue in Administration was \$45,167 in August which is \$14,358 ahead of the budget for the year.
- Computer software is over budget in the month of August by \$7,000. This is related to contracted IT expenses. The expenses are running higher than expected as the contracted IT group is completing upfront work on identified network vulnerabilities.
- YTD net revenues are \$89,789 and are ahead of budget for the year by \$20,624.
- The Help Fund Grant expenditures are less than budget by \$12,000.

#### Day Program

- Day Program recorded a net loss of \$30,517 in August. The loss for the month is better than the budget for the month by over \$18,000.
- Total revenues for August are \$9,894 better than the budget for the month and YTD Revenue is ahead of budget by \$37,400.
- Attendance was 90% of the projected maximum in the month of August.
- YTD Revenues are \$51,167 and are \$30,791 ahead of budget through August 31, 2024.

#### Supported Services

- Support Services earned net revenues of 13,645 in August. This net revenue was \$10,470 less than what was budgeted for the month of August.
- YTD net revenue is \$3,158 and is currently \$31,715 less than budgeted. Total revenues are \$53,000 less than projected for the first two months.

#### Residential

- The residential program earned net revenues of \$110,287 and was slightly better than the \$106,702 that was projected.
- The residential program has started strong in the current fiscal year, earning \$180,655 in net revenues and is ahead of budget by \$23,000.
- New enrollments in the residential program should help to sustain the good start fiscally.

#### Early Intervention

- The Early Intervention program earned net revenues of \$18,686 in August which is \$8,324 better than the budget in August.
- The evaluations program recorded net revenue of \$7,617 in August and has YTD net revenue of \$5,038 this fiscal year.
- Total revenues continue to exceed projected revenues in Early Intervention. These revenues do not impact net revenue as the additional revenues are passed through as provider payments for services.
- The variation in budget is the result of increased services in Adams County Aurora that was annexed into our service area July 1, 2024.

#### Statement of Financial Position

The cash balance was \$9,265,165 at the end of August. The total cash balance reflects a decrease of \$277,493 since July 31, 2024. Accounts receivable increased \$350,000 based on increased state receivables and timing of payments from Adams County. Medicaid receivables decreased by \$200,000 since the end of July. Total liabilities are \$1,286,387 and are \$67,286 less than the prior month end.

#### Capital Update

The second of the two mini vans was purchased at a price of \$56,065.

#### Annual Audit

The annual audit field work is complete. There were no significant discoveries during the audit process. The Finance staff is responding to final requests from the auditor. The auditor will exit the audit at the October board meeting.

#### Home Health Medicare Application

The Medicare application has been resubmitted. The process for approval is very tedious as there are many details that are reviewed by the Medicare reviewing office. Any discrepancies found cause the application to be returned for correction or rejected. The numerous name changes and filings over the years have resulted in needing to correct legal business name on several documents with the IRS, Medicaid, and the Secretary of State.

Dr. Bertagnoli asked for a motion to approve the June, July and August 2024 Finance Committee Meeting Minutes.

Motion: Bill Hawthorne / 2<sup>nd</sup>: Cheryl Candelaria / Motion Carries

## Executive Committee Report

There was no Executive Committee Report at tonight's meeting.

## Executive Directors Report

Randy reported that the Adams County Mill Levy has grown to 3 million dollars. Previously, NMCS shared those funds with Developmental Pathways (DP), but DP stopped serving Adams County due to the restructuring of case management, so those funds came to NMCS. We wanted to come up with more ways to serve the people of Adams County, so we reached out to the Board of County Commissioners of Adams County and through a partnership with them established the NMCS Grant Program. Funding for this program is \$360,000 per year and is available to Adams County residents (after approval by the grant committee) for various situations such as helping avoid eviction, utilities, therapies, etc. The program has also been expanded to serve the Adams County portion of Aurora. We also hired two resource facilitators, one of whom is bilingual. They help people navigate issues with benefits and help

people get in touch with Rocky Mountain Human Services (RMHS) who now provides case management for Adams County.

The new Medicaid settings rule was created to make sure that people who are receiving Home and Community Based Services (HCBS) are served in the community and not facility-based programs. So not only our agency, but every agency that provides these services must provide them in the community. This can get tough because then everyone goes to places like the library because it doesn't cost anything. NMCS started using funds so individuals can go to some paid activities. We asked for additional funding and created the Adams County Supported Community Connection (SCC) Activity Fund and opened it up to allow all agencies who provide SCC services for Adams County residents to apply for funding. We had 17 agencies apply to provide additional activities for their clients. Our day program is serving about 60% of the county and the other 40% are being served by those other agencies. Resource Coordination (RC) was our county-wide footprint, but we lost that, so we want to show our funders we are working to distribute the funds evenly.

Randy reported that Senator Dafna Michaelson Jenet will be coming to NMCS to observe our Early Intervention (EI) Evaluation Team and program functions. Child Find picked NMCS to show the program.

We are going to lease some office space to RMHS in the main building for their RCs whose caseloads are in Adams County. This will put case managers here again, and this will help us have better contact with those Adams County residents. This will also aid our Resource Facilitators in assisting those who are trying to get services.

Randy stated that it is projected to be a very difficult year for the State budget. A number of tax credits have been passed in the last couple of years and we are now starting to feel the impact of those tax credits. We are doing our part not to get cut. The Medicaid Provider Rate Review Advisory Committee (MPRRAC) reviews all Medicaid rates, and our staff has been providing them with data they needed. They are recommending about a ½ billion-dollar increase. Randy doesn't expect that to happen. However, that gives us good ammunition to fend off budget cuts.

Randy made an announcement to the Board that he will be retiring in April 2025. He has worked at NMCS for 29 years. He started out as the Assistance Executive Director under Roxanne Pinneo, and then in 2013 became the Executive Director of NMCS.

## Adjournment

Dr. Bertagnoli adorned the meeting at 6:45 pm.

Motion: Bill Hawthorne / 2<sup>nd</sup>: Cheryl Candelaria / Motion Carries

The next Board meeting will be held on October 24, 2024, in the NMCS Boardroom.