

## **North Metro Community Services Board Meeting**

January 23, 2025 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. He then requested a motion to approve the agenda for tonight, approve the December Board Meeting Minutes, and excuse Cheryl Candelaria.

Motion: 1<sup>st</sup>: Edie Wallace / 2<sup>nd</sup>: Brian Kraft / Motion Carries

Dr. Bertagnoli introduced John Coats, Board Member and Legal Representative, and Wayne McCombs, guest.

Dr. Bertagnoli informed the Board members that they will have an Executive Session at the end of the regular Board meeting, and John Coats will chair that portion of the meeting.

#### **Re-elections**

A motion was made to re-elect Dr. Bertagnoli and Edie Wallace to the Board for another term.

Motion: 1<sup>st</sup>: Warren Taylor / 2<sup>nd</sup>: Brian Kraft / Motion Carries

#### **Finance Committee Report**

Doug Shepherd presented the November and December Financials to the Board.

#### **November 2024 Financial Statements**

##### Statement of Activities

In the month of November 2024 a net loss of \$176,915 was recognized. The loss for the month is \$12,408 more than what is projected in the budget. Holiday bonuses for staff were paid in November and total expenses were consistent with the \$224,000 that was budgeted. Bonus expenses were the biggest cause of the losses during the month. Total revenues of \$2,624,320 were within \$2,000 of budget for monthly revenues. November net revenue is also impacted by the Thanksgiving holiday and 15 days of program. Year-to-date net revenues of \$206,230 are \$111,203 better than budget for the year.

### Administration

- In the month of November administration had net revenue of \$21,744 which was \$5,165 better than what was budgeted.
- Help Fund expenditures were \$3,558 less than budget for the month.
- An additional \$197,500 was received from Adams County excess Mill Levy funds. \$187,500 of this was expended as part of the SCC Activity Fund. This fund will provide funding for paid Day Program activities for eligible Adams County day program participants.
- \$10,000 of the additional Adams County funds will be used for the assistive technology bank utilized by the Early Intervention programs.

### Day Program

- Day Program had a net loss of \$145,915 during the month of November. The loss for the month was \$23,211 better than budget.
- Total revenues were \$268,815 which was a decrease in revenue of nearly \$100,000 from October. The 15 days of Day Program and the start of colder weather negatively impact revenues.
- Day Program remains ahead of budget for the year. The year-to-date net loss of \$284,239 is \$93,295 better than budget.
- Total attendance was 90.76% in the month of November. This number is expected to dip as we get into the coldest part of winter.

### Supported Services

- Support Services had a total loss of \$1,055 which is almost \$10,000 less than the budget.
- Year to date net revenue of \$5,851 is \$65,732 worse than budget in Supported Living Services.
- The Supported Living department continues to struggle generating revenues as the program continues to slowly lose people we are serving.

### Residential

- The residential department had a net loss of \$35,638 in the month of November. The monthly net loss exceeded budget by \$21,129.
- Residential total revenues of \$1,209,602 were slightly ahead of budget for the month.
- Host Home providers were paid a total of \$33,300 in bonuses in November.
- Year-to-date net revenues in residential are \$255,849 and are behind budget by \$17,691 year to date.

### Early Intervention

- The Early Intervention program had a net loss of \$16,052 in the month of November. This loss is \$9,706 more than budget.
- Bonuses for staff in Early Intervention are not funded through our contract with El Colorado which creates the loss in the month.

- Net Revenues in Early Intervention are \$77,279 which is \$83,660 ahead of budget.
- Staff is negotiating portions of the current contract despite it already being executed.
- The Early Intervention program had a net loss of \$10,301 in the month of December. This loss is \$8,372 worse than budget.
- The loss in Early Intervention is due to the \$13,211 loss from evaluations. There was a significant drop in the number of evaluations in December. Families delayed scheduling evaluations during the holiday season.
- Net Revenues year to date in Early Intervention are \$66,978 which is \$75,288 ahead of budget.

### **Statement of Financial Position**

- Our cash balance was \$9,818,812 at the end of November. The balance in cash reflects a decrease of \$169,725 since the end of October.
- Accounts receivables are \$3,652,434 and reflect a decrease of \$203,598 since the end of October.
- Our overall receivables have increased since last year at the same time. State receivables related to Early Intervention are 1.6 Million dollars and reflect 3 months of receivables.
- We received \$821K in payments for July and August services in November.
- Liabilities are \$3,128,603 and reflect a decrease of \$289,848 since the end of October. The decrease is related to salaries payables and deferred revenue variances from the prior month.

### **December 2024 Financial Statements**

#### **Statement of Activities**

In the month of December 2024 net revenue of \$9,690 was recognized. The loss for the month is \$29,104 better than what was budgeted for the month. Overall net revenues were impacted by the holidays. We were closed for a total of 5 days to allow staff to have a well-deserved paid holiday. Total revenues of \$1,633,189 were slightly ahead of budget for the month. Year to date net revenues are \$215,920 and we remain ahead of budget by \$140,307. The winter months are historically weak in terms of net revenues. Financial performance will improve as we move into the warmer months and Day Program attendance improves.

#### **Administration**

- For the month of December administration earned net revenue of \$25,525 which was \$3,845 better than what was budgeted for the month.
- Help Fund expenditures were \$7,000 less than budget for the month which accounts for the bulk of the variance.
- Interest revenues were \$36,758 which is \$3,755 less than the budget. Slow payment on state receivables directly impacts the interest we earn.
- Year to date net revenues in administration are \$177,105 and are just over \$20,000 ahead of budget for the year.

### Day Program

- Day Program had a loss of \$93,914 which was at budget for the month.
- Total revenues were \$274,875 which compares well with budget for the month. The budget projected the short revenues in the month for the anticipated holiday closure and short program days.
- Despite the large losses over the past two months Day Program is still \$92,539 better than budget for the year. The year-to-date net loss is \$377,579
- Total attendance was 88.27% of maximum in the month of December. The percentage of attendance will increase as the weather improves. We need to have percentage at about 95% in order to cover direct program costs.

### Supported Services

- Support Services had a net loss of \$3,831 which is \$4,162 less than budget.
- Year to date net revenue of \$9,682 is \$69,864 worse than budget in Supported Living Services.
- Staff continue to explore all placements to try and rebuild some of the base of service we have lost in the past couple of years.

### Residential

- The residential department had net revenue of \$83,796 in December. The monthly net revenue is \$38,500 better than budget.
- Total revenues in residential continue to grow and the \$1,271,033 earned is \$51,589.
- Staff in residential continue to aggressively pursue resources and do a good job of marketing supports that we provide to families that are more encompassing than other agencies that provide residential
- Year to date net revenues in residential are \$339,825 and exceed the budget projections are behind budget by \$20,859 year to date.

### Early Intervention

- The Early Intervention program had a net loss of \$10,301 in the month of December. This loss is \$8,372 worse than what was budgeted.
- The loss in Early Intervention is due to the \$13,211 loss from evaluations. There was a significant drop in the number of evaluations in December. Families delayed scheduling evaluations during the holiday season.
- Net Revenues year to date in Early Intervention are \$66,978 which is \$75,288 ahead of budget.

### Statement of Financial Position

- Our cash balance was \$9,738,641 at the end of December. The balance in cash reflects a decrease of \$80,171 since the end of November.
- Accounts receivable are \$3,725,582 and reflect an increase of \$73,148 since the end of November. Our overall receivables have increased since last year at the same time.

- Medicaid receivables remained consistent with prior months with minimal variances.
- State receivables related to Early Intervention continue to reflect 3 months of receivables. The state is consistent but slow in paying. Liabilities are \$3,086,098 and reflect a decrease of \$42,505 since the end of November.

#### Capital Update

There were no capital expenditures in the months of November or December.

Motion: 1<sup>st</sup>: Bill Hawthorne / 2<sup>nd</sup>: Brian Kraft / Motion Carries

George added that we are no longer the provider of last resort, but we are the largest day program provider in the county. We serve approximately 2/3 of the people from Adams County in our day program. Last fall we launched our Supported Community Connections (SCC) program using additional funding we were able to secure from Adams County. We made a conscious decision to share those funds with 17 other agencies who, like us, provide SCC services to residents of Adams County to help get people served in a community setting.

George also informed the Board that he is still working on the Early Intervention (EI) contract 7 months after it started. They are trying to cut back on administrative fees, wanting to renegotiate after the contract after it has started, but George commented stated that EI cannot run on 2% administration fees. George will continue to negotiate and update the Board as needed.

#### **Executive Committee Report**

There was no Executive Committee report.

#### **Executive Directives Report**

Randy reported the legislative session has begun. The original revenue forecast projected that revenues would be \$1 billion short of funding the Governor's budget. Then when the December revenue forecasts came out, they were better than expected and the shortfall was projected to be \$650 million. At that point the Governor came back with an amended budget where he proposed to spend an additional \$350 million to fund a ballot issue that passed in November that would fund additional police officers and officer training, which brought the shortfall right back to \$1 billion.

Randy testified at the Health and Human Services Wait List Hearing. Due to the state of the budget, we are not asking for new wait list allocations. In fact, we will probably see a rate reduction this year of 1 to 2 percent. At this time, we still do not know if our Medicaid funding is going to be allocated to us in the form of block grant funding, which would be capped. There is concern that the executive order to end birthright citizenship puts our EI population at risk.

There are funds that have not been utilized by the American Rescue Plan Act (ARPA) of 2001, and it is possible that these funds may be distributed to providers. The details of such a plan have not been released and would still need approval of the JBC. This would be a one-time occurrence to spend the rest of those funds.

Randy said that we are still struggling in dealing with Rocky Mountain Human Services (RMHS). Sherry Repinski, RMHS Chief Executive Officer and Executive Director, who was also at the Health and Human Services Wait List Hearing, testified that RMHS provides case management for all Long Term Care (LTC) recipients in Colorado. There are many other LTC programs aside from the Intellectual/Developmental Disabilities (IDD) waiver. Randy stated that things are probably going to stay the same going forward and we will continue to manage the situation.

### **New Business**

Robert Hunter, Day Program Director, presented his annual report to the Board. He gave an overview of North Metro's Day program and Supported Living Services (SLS), the latter, which he now also oversees. Robert stated that SLS services have declined recently as there are not as many people enrolled in the program at this time. Several of the SLS individuals have moved to our Residential program enrolling into the DD Waiver. He reported that we now have Spanish speaking employees that are working on helping enroll individuals into programs. He stated that the Class A licensure that George has been working on will help to hire existing service providers as Certified Nursing Assistants (CNA).

Day services have transitioned from a congregate setting into groups going on community outings. Now, our folks develop their own programs and decide what activities they would like to do and what they want to participate in. Robert stated that we are growing our community partners and are getting more people and places involved, such as the Anythink Library in Thornton. People are also going to events such as concerts, car shows, and day program has an annual picnic at Union Reservoir. Day program's annual Christmas party is held at Adams County Fairgrounds. Robert noted that even Elvis showed up this year! We want to get more people in the community involved and interacting with our folks. Our groups currently do a lot of volunteering. One thing we have learned through this model is that people do miss the friends they made in previous years at the congregate setting, so we also have held socials and even a paper airplane event at the main building so that people still have opportunities to visit with all their friends. We've held cooking and exercise classes at the main facility for those who do not want to go out when it's cold, but we still go out into the community on those days as well. We also still use our main facility for those that need special habilitation services. These models have been working very well for the people we serve.

### **Public Comment**

There were no public comments.

### **Executive Session**

The meeting was adjourned for the Executive Session. After reconvening, the Board of Directors passed the resolution to create an Executive Transition Committee to navigate the interviewing and hiring of a new executive director. The Corporate Resolution of NMCS is attached at the end of these minutes.

### **Next Meeting**

February 27<sup>th</sup>, 2025, at 6 p.m. in the Boardroom.

**CORPORATE RESOLUTION**  
*of*  
**NORTH METRO COMMUNITY SERVICES, INC.,**  
a Colorado nonprofit corporation

The Board of Directors (**Board**) of North Metro Community Services, Inc., a Colorado nonprofit corporation (**Company**), has considered and voted in favor of the following resolution at a properly noticed and authorized meeting of the Board.

**WHEREAS** Randy Brodersen (**Brodersen**) has announced his retirement as Executive Director of the Company effective April 10, 2025 (**Retirement**); and

**WHEREAS** the Board desires to provide for an orderly process to perform all reasonable and necessary due diligence incident to a thoughtful and legal hiring decision for a successor Executive Director, including, without limitation, reviewing general education and background credentials, qualifications, work history, references, recommendations, and the like; and

**WHEREAS** the Board desires to create an Executive Transition Committee (**Transition Committee**) to perform due diligence in the review and recommendation of a successor Executive Director to the Board as permitted under the Company Bylaws;

**NOW, THEREFORE**, it is

**RESOLVED**, a Transition Committee is hereby established to address the various issues raised as a result of Brodersen's pending Retirement. The Committee will consist of no less than three (3) and no more than five (5) current Board Members, with one of the Board Members being the current Chair of the Company's Executive Compensation Committee (**Compensation Committee**), who will also serve as Chair of the Transition Committee; and

**FURTHER RESOLVED**, solicitation of volunteers from the remaining current Board Members will be made at the scheduled January 23, 2025, Board Meeting, with selection of the additional Members of the Transition Committee to be determined thereafter by the Executive Committee or Chair of the Compensation Committee from the Board Members who may desire to participate on the Transition Committee and who may bring special knowledge or skills to the Transition Committee; and

**FURTHER RESOLVED**, the principal function of the Transition Committee will be to accomplish the following tasks on behalf of the Board and Executive Committee:

1. Work with Brodersen to ensure the position of Executive Director of the Company is advertised or posted as required by law.
2. On the closing of the required posting period, the Transition Committee will work with Brodersen to interview potential candidates applying for the position of Executive Director and to perform all reasonable and necessary due diligence incident to a thoughtful and legal hiring decision, including, without limitation, reviewing general education and background credentials, qualifications, work history, references, recommendations, and the like.

3. The Transition Committee is hereby advised current Assistant Executive Director George Montoya will apply for the Executive Director position and his application will be considered by the Transition Committee as all others, if any.
4. In coordination with Brodersen, the Transition Committee will recommend an appropriate executive compensation package for the new Executive Director, which compensation will be consistent with historic levels of compensation set by the Executive Committee and Board on recommendations by the Compensation Committee's practices and procedures; and

**FURTHER RESOLVED**, the Transition Committee's recommendations, with appropriate commentary in support of the Transition Committee's recommendations, will be submitted to the Executive Committee. Thereafter, a request for approval of the Executive Committee's recommended candidate will be presented to the Board for consideration and approval by a majority vote on a Resolution to be presented to the Board in an Executive Session at a regularly scheduled Board Meeting or Special Board Meeting occurring prior to Brodersen's Retirement.

EFFECTIVE January 23, 2025.

**NORTH METRO COMMUNITY SERVICES, INC.**

a Colorado nonprofit corporation

By: Edward G. Berkey  
Its President

By: Warren Taylor  
Its Secretary