

# North Metro Community Services Board Meeting

February 27, 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 and the January 2025 Board minutes.

Motion: 1<sup>st</sup>: Brian Kraft / 2<sup>nd</sup>: Cheryl Candelaria / Motion Carries

Dr. Bertagnoli informed the Board that they will have an Executive Session and the end of the Board meeting.

### Finance Committee Report

Doug presented the January 2025 financials to the Board.

#### **January 2025 Financial Statements**

##### Statement of Activities

In the month of January 2025 a net loss of \$39,478 was recognized. The net loss for the month was \$16,359 more than the expected net loss of \$23,118. Total revenues for the month were \$2,514,870 which was nearly equal to budgeted revenues for the month. Year to date net revenues are \$176,442 and are \$123,947 better than budget year to date.

##### Administration

- In January, the Administration Department earned net revenues of \$14,204 which was \$10,524 better than what was budgeted.
- Help Fund expenditures were \$13,755 and were well below the budgeted \$30,000. The shortfall in expenditures was due to the timing of grant payments, which will catch up in February.
- Computer software expenses were \$17,840 in January these expenses were \$11,507 more than budgeted. These expenses relate to unanticipated implementation costs for the electronic processing of our benefits with the carriers.

### Day Program

- Day Program had a net loss of \$64,739 during the month of January. The loss for the month was \$9,710 better than budget for the month.
- Total revenues for Day Program activities were \$297,119, which was \$4,963 below budget.
- Although the cold and snow did not cause any closures, several days of low attendance reduced revenues.
- Year to date Day Program has lost \$442,319 and is \$102,248 ahead of budget.
- Total attendance was 83.40% of maximum. The percentage of attendance is consistent with prior year trends.

### Supported Services

- Support Services had a loss of \$16,730 and was overbudget \$28,284 for the month.
- Enrollment losses continue to plague the financial performance in Support Services.
- The loss for the month pushed Support Services into a year-to-date deficit by \$7,048 year to date and is \$98,178 below budget.
- A staff position in Supported Services was eliminated because caseload numbers were insufficient to maintain the current staffing level.

### Residential

- The Residential Department earned net revenue of \$3,517 and was \$41,909 worse than budget in the month of January.
- A \$77,000 payroll correction in the Family Care Giver program is the primary factor of the poor financial performance in January.
- Total revenue of \$1,278,131 in the month of January and is better than budget by \$58,687. The Residential Program has experienced growth that is driving strong revenue.
- Year-to-date net revenues in Residential are \$343,342 and is \$21,050 behind budget by year to date.
- The recent growth in enrollments will have a positive impact on total and net revenues moving forward.

### Early Intervention

- The Early Intervention program had net revenue of \$25,539 in the month of January.
- The Evaluation program had a strong month with \$12,211 in net revenues.
- Net Revenues in Early Intervention are \$92,518 and are \$102,755 better than budget year to date.
- The Early Intervention program in Colorado is projected to exceed budget by four million dollars for the year. The state legislature is expected to provide a budget supplemental and recoup underutilized funds that will alleviate much of the current

year budget concerns. Funding for next fiscal year is uncertain and will likely have an impact on our Early Intervention program.

### **Statement of Financial Position**

- Our cash balance is \$9,496,478 as of January 31, 2025. The balance in cash reflects a decrease of \$242,163 from the prior month.
- Accounts receivable are \$3,744,783 and reflect an increase of \$19,201 since the end of December.
- Medicaid receivables remained consistent with previous months, showing minimal variances.
- State receivables continue to be 90 days outstanding.
- Liabilities are \$2,822,508 and reflect a decrease of \$263,590 since the end of December.

### **Capital Update**

There were no capital expenditures in January 2025.

### **Closure of 1185 Building**

Preparation to move staff from the 1185 building to the main building are underway. There are twenty-five staff that currently have office space in the building. In-office work attendance is minimal and does not justify the cost of maintaining the space. We will need to modify some workspaces and create more flexible areas to accommodate staff when they are in the office. Staff are happy with the current hybrid work environment and there is no plan to require more time in the office.

George informed the Board that we will be closing the 1185 building. There are 25 employees from the Residential department who are housed in that building, and they work hybrid work schedules. Financially, it doesn't make sense to keep that building open. Those employees will be moved to the main building. We had previously been talking to Rocky Mountain Human Services about renting some space in the main building, but that has not worked out, so the space will be used for Residential. There will be some renovations to the space to accommodate the department. George is hoping to have this completed by the end of the fiscal year and then sell the 1185 building. Doing this will save us a significant amount of money. John Coates asked if employees didn't have hybrid work schedules, would we be able to fill the space and George responded yes.

George also let the Board know that we have received our preliminary Medicaid approval and are working on enrolling our first 10 patients. Once we have those 10 patients, we will be surveyed by Community Health and Accreditation Partner (CHAP), an independent, non-profit, accrediting body for home and community-based health care organizations. Once the survey is

completed and we have received our final accreditation, we will slowly start increasing the number of patients.

At this time, George left the meeting. He thanked the Board for their support.

Dr. Bertagnoli requested a motion to approve the January 2025 Finance Minutes.

Motion: 1<sup>st</sup>: Edie Wallace / 2<sup>nd</sup>: Cheryl Candelaria / Motion Carries

### **Executive Committee Report**

Randy reported that the State budget is not looking promising. Medicaid is over budget by 140 million dollars. At this rate, by 2030 they will have spent all their reserves. In 2005, Medicaid Amendments C & D let the State keep its additional revenue and they are going to try to get that approved again. The Joint Budget Committee (JBC) asked if by not refilling comprehensive allocations would help the situation, but the Colorado Department of Health Care Policy and Financing (HCPF) said that would mean no one would come off the waiting list and was not a feasible solution. The JBC dropped this idea but that is the kind of thing they are looking at to try and rectify the budget.

Regarding the Federal budget, the house passed an 880 million dollar cut to Medicaid. The amount of federal funding a state receives for Medicaid is based on the average income of the people who live in the state. For Colorado, our Medicaid funding is basically 50% funded by the Federal government and 50% funded by the State. In more predominately Republican states, the split is more like 70/30, so there is a potential for higher cuts in these states. In general, 70% of people do not want to see Medicaid change and we hope Colorado doesn't experience a huge cut. Making a change like this doesn't really help, it just passes the buck onto the individual states to try and maintain current services within a severely reduced budget.

We are expecting additional dollars from the American Rescue Plan Act (ARPA), as they are distributing those unused funds to providers in the form of rate increases for services provided by Direct support workers.

Early Intervention (EI) has been in the news this week. The Colorado Department of Early Childhood (CDEC) runs the EI and preschool programs. This department chronically runs short of funds every year, so come springtime, they do not have enough money in their budget and look at ways they can rectify their budget. The CDEC testified at the JBC but didn't tell them

they were getting ready to cut EI services because they have a \$4 million dollar shortfall. Their solution was to cut services to Medicaid eligible children who receive EI. They wanted to provide only speech, physical, and occupational therapies to those children. There are 14 services available under EI. For the children who receive Medicaid, that would result in many of them not receiving any services at all. It has been proven that if children with certain delays get EI services, they can go on to overcome those delays and no longer need services. The other part to the CDEC's plan was that children who do not have Medicaid would continue to receive their full list of services. The services for these children get billed to a state only fund. About 40% of the children North Metro serves are on Medicaid. Other cuts in their plan would have included not being able to double up on providers, reduced number of visits allowed, and cuts in mileage and travel reimbursements. The official notice of the CDEC's changes came out in a memo on Tuesday. That afternoon, the JBC put this back on their agenda. Fortunately, the JBC was able to come up with a 1 million dollar supplement so those Medicaid children will be receiving their full services through the end of this year. Randy stated it was looking very grim last week but with efforts from Alliance and providers who work with those children directly, we will be able to take care of those kids.

### **New Business**

Jen O'Shea, Human Resources Director, presented HR's annual report to the Board. There have been many changes over the last year including benefits, a new HR system, and a new Spanish curriculum for Spanish speaking employees.

North Metro decided to change our employee health care provider from Kaiser to Cigna. The main reason for the change is because Kaiser wanted an increase in premiums. Cigna's network functions differently than Kaiser's and that has taken some getting used to. For instance, with Cigna, the employee needs to make sure the doctor they are going to see is in Cigna's network. They need to check the employee website to make sure they are covered. We did have an instance where the employee checked the website and the facility was in network, but the doctor they saw at that facility was not in network.

We are in the process of switching our 401K from One America to Voya. Participation in the 401K is encouraged at time of hire and then HR reaches out to the employee around their one year anniversary. HR shows them what they could have made over that last year if they had made an investment. An employee is 100% invested in the 401K from their first day of employment if they choose to participate. North Metro has also added loans to the 401K's based upon employee requests.

To encourage participation in the medical Flexible Spending Account (FSA), North Metro gave \$100 to those employees currently participating in the FSA and to those who signed up at open enrollment.

We also transitioned to a new HR/Payroll program and just last week, finished uploading all the historical documents from the old system. The main reason for this change is because payroll was having to manually override things in the old system. The new system is called UKG and is much better for payroll. Although there are still some things to work out such as supervisors not being able to approve evaluations and all the HR reports are different.

Jen also shared that we have had an increase in Spanish speaking employees, especially family caregivers and support partners. We also now have the ability to use blue tooth in classes that translate to Spanish for these employees.

Currently, North Metro has 340 employees. Out of those employees, 124 are enrolled in our health benefits out of the 148 who are eligible (spouse may have them covered). Overall turnover is 15.2% but that is a 7% decrease from last year and below the norm for agencies comparable to ours, where the turnover rate is 19%. HR processed 338 applications last year and hired 41 new employees. We are getting applications for positions when we post them, and we also hire interns from high schools. We have a total of 20 employees who have been employed with North Metro for over 20 years. We have trained 215 people in CPR and 160 people in Safety Care. We had 4 workman's compensation claims in the last year. We've responded to 10 unemployment claims and paid benefits on 4 of those claims. HR has managed 43 Family Medical Leave Act (FMLA) claims and 48 Family and Medical Leave Insurance Program (FAMLI) claims, the latter is paid by the state. FMLA and FAMLI are two different systems, and this has been difficult for people to manage. HR staff have been sitting down with the employees to help them navigate the two. FAMLI pays an employee a percentage of their salary and North Metro makes up the rest so the employee does not lose any wages. Hopefully in the near future, the state will improve this process.

We do have recognition, wellness, fitness and shared transportation programs. Every year on an employee's work anniversary, they can come to HR and "spin the wheel." There are prizes on the wheel listed in 3 tiers (representing the range of years) and depending on how many years someone has worked here, they get the prize that correlates with that amount of time in that tier, if they have completed 7 years of employment, they can choose which prize they want from one of those 3 tiers. Those participating in the fitness, wellness and shared transportation programs receive a \$10 gift card after submitting documentation of their participation each month.

The last thing Jen addressed was agency/employee changes since Randy is retiring and how that will probably have a domino effect in the agency.

**Public Comment**

There were no public comments.

Non-members of the Board were excused at this time, and the Board then held an Executive Session.

**Executive Session/CEO recruitment**

Next Board Meeting: March 27, 2025 – Board meeting begins at 6:00 p.m.