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North Metro Community Services Board Meeting

June 26, 2025 at 6:00 PM

Board Room, Second Floor 1001 W. 124th 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 Board Minutes from the April 2025 meeting, excuse Josh Dobratz, John Coates, Cheryl Candaleria, and Christian Van Dyke and approved the agenda for tonight's meeting.

Motion: 1st: Edie Wallace / 2nd: Doug Shepherd / Motion Carries

Finance Committee Report

Doug presented the May 2025 Financials

May 2025 Financial Statements

Statement of Activities

In the month of May 2025, net revenue of \$357,106 was earned. The profit for the month was \$267,786 better than budget. The performance for the month varied by department. Year to date net revenues total \$862,077 and we remain ahead of budget by a total of \$436,279 year to date.

Administration

- In May, the Administration Department recorded a loss of \$1,018, which was \$37,469 worse than what was budgeted for the month.
- Salaries and benefits were over budget for the month by \$26,804.
 - \$12,872 was attributable to the one-time bonus payment in the administration department.
- Total help fund expenditures were \$20,610, which is less than the budgeted \$30,000

for the month.

- Interest revenue in May was \$34,097, which remains \$30,000 less than budget year to date.

Day Program

- Day Program earned net revenues of \$47,297 in May. The profit in May was \$107,274 more than the expected budget amount.
- Day Program has recorded a year-to-date net loss of \$400,648 and remains ahead of budget by \$329,420.
- 2 vans were sold in the month of May, which resulted in a one-time gain of \$40,236.
 - One van was sold to an existing HHP, and the other was an insurance total loss.
 - YTD, \$70,707 has been recorded as additional revenues on van sales/disposals.
- Day program incurred \$83,303 in additional one-time ARPA (American Rescue Plan Act) revenues, of which \$63,616 were passed through to staff as one-time bonuses.
- Total attendance in May was 96.40% of the maximum, which exceeds the target rate of 95% attendance.

Supported Services

- Support Services earned net revenues of \$694 and is short of budget \$18,016.
- Year to date supported living has lost \$27,800 and is short of budget \$165,021.
- Supported Services incurred \$33,582 in additional one-time ARPA (American Rescue Plan Act) revenues, of which \$35,853 were passed through to staff as one-time bonuses.

Residential

- The Residential Department earned net revenue of \$325,072.
- Residential has year-to-date net revenues of \$968,242, and are better than the budget for the year by \$267,389.
- Residential services incurred \$308,432 in additional one-time ARPA (American Rescue Plan Act) revenues, of which \$96,208 were passed through to staff as one-time bonuses.
 - Host Home Providers also received bonuses totaling \$53,500.
- The department gained two new placements in May, one in the Family Care Giver program and another as a Family Care Provider.

Early Intervention

- The Early Intervention program had a net loss of \$14,872 in the month of May, which was \$25,234 less than budget.

- Year-to-date net revenue is \$126,539 and is \$95,329 better than the budget for the year.
- Salaries and benefits were over budget for the month by \$15,244.
 - \$21,000 was attributable to the one-time bonus payment in the EI department.
- Child evaluations continue to increase. May was a strong month, even with a Holiday.

Statement of Financial Position

- As of May 31, 2025, our cash balance is \$11,234,466. The cash balance reflects an increase of \$483,378 from the prior month.
- Accounts receivable total \$2,836,318 and have decreased by \$685,637 since the end of April.
 - Medicaid receivables minimally increased while state receivables significantly improved from prior months.
 - EI/State receivables improved from 90 days outstanding to 60 days outstanding, with one specific invoice being reported as current.
- Liabilities total \$2,738,109 and have decreased by \$661,769 since the end of April.
 - North Metro recognized \$425,317 in one-time ARPA (American Rescue Plan Act) revenues during the month.

Capital Update

There were no capital expenditures in May 2025.

Budget 2025/2026

For fiscal year 2025/2026, the budget projects total revenues of \$31,400,587. This represents an increase in revenue of \$578,777 over current year projections. Total expenses are projected to be \$30,944,680, resulting in projected net revenues of \$455,907. The current budget reflects what is known currently. A 1.6% Medicaid increase is included, as this has been fully approved by the Colorado legislature and signed by the Governor. The federal budget remains the largest area of concern and uncertainty for next year. Potential cuts to Medicaid in the federal budget would likely impact our funding.

The budget continues to support a strong benefit package for staff, including Health, Dental, Vision, Life, and Long-Term Disability coverage. The most significant change is a return to Kaiser for health insurance. Following many large claims in our first year with CIGNA, a 28% rate increase was proposed for renewal. This additional anticipated cost of \$300,000 would have significantly impacted our budget and limited our ability to address staff salaries and other benefits. In addition to the cost increase, the CIGNA system proved extremely difficult for staff to navigate, leading to many unanticipated out-of-pocket costs. Staff response to our return to Kaiser has been overwhelmingly positive.

The budget includes staff salary increases of 2.5% and maintains holiday bonuses at last year's level. Increases are also included for host home providers and family caregivers. Salary and provider

increases total \$435,000 in next year's budget.

Administration

The loss of case management has had a significant impact on administrative revenues. Currently, the only sources of administrative revenue outside of Mill Levy and interest are from Early Intervention. Additional expenses related to vacating the 1185 building are recorded in administration. The largest additional cost is depreciation of \$65,000. Staff is still reviewing potential expense reductions, and some adjustments are expected in the second budget draft. The budget continues to support the Help Fund Program at \$360,000 and the Day Program Activity Fund at \$250,000.

Day Program

The budget for the Day Program reflects ongoing fiscal improvement, although a net loss of \$626,300 is projected for the upcoming fiscal year. Revenues continue to increase as strategies are implemented to maintain attendance and enroll more participants.

Supported Living Services (SLS)

A net loss of \$111,830 is projected for SLS. The loss of enrollments and corresponding revenues has made covering overhead costs difficult. Projected revenue is \$1,424,600, reflecting a 25% decrease over the past two years.

Residential

Revenues for Residential are projected at \$15,368,900. The program continues to see net growth in enrollments following some contraction in 2023. The continued growth has created the need for additional staffing, and the budget includes funding for an additional program manager. Projected net revenues are \$1,075,800. Growth in the program and reduced overhead have had a positive financial impact.

Early Intervention

The Early Intervention program continues to grow in both enrollments and revenue, with projected revenues of \$7,394,352 for the next fiscal year. However, budgetary concerns persist. The State of Colorado has allocated enough funding to sustain services through the fiscal year but is not allowing any increases in our base contract, which supports staff costs. Additional Mill Levy funds will be used to ensure staff increases can be provided. The program is projecting net revenues of \$51,802.

Home Health

The current budget includes projections for the Home Health program. Revenue is expected to be slow initially, and a net loss of \$54,500 is projected, primarily during the first half of the year as the program builds its revenue base. The budget includes funding for a Clinical Manager, responsible for assessments and approvals requiring a registered nurse.

Capital Budget

The 2025/2026 Capital Budget totals \$110,000. The only items included are three new vehicles for the Day Program.

Motion: 1st: Bill Hawthorne / 2nd: Warren Taylor / Motion Carries

Executive Committee Report

There was no Executive Committee Report tonight.

Executive Directors Report

George handed out a flyer from the American Network of Community Options and Resources (ANCOR) regarding the budget reconciliation bill that passed the U.S. House of Representatives. The flyer explains how Medicaid cuts, even though not targeted at IDD services directly, could affect the IDD system. In the past, cuts have shown to have a having a trickle-down effect as non-mandatory services such as the home and community-based services (HCBS) are among the first to be scaled back, restricting access to essential supports for people with developmental disabilities. George went on to say that even though we have no control of the outcome, North Metro's team has a good plan for the worst-case scenario and we will protect the services we provide and our staff. It's the smaller agencies that this will have a greater impact on. He also said that, if needed, he would come to the Board to absorb some of the losses. We are committed to serving our folks.

The 1185 building has been completely cleared, and employees were given a chance to take the furniture they wanted as there is not a market for used office furniture. George has a realtor coming out on Monday to assess the value for listing. Clayton House will be sold in July, which will result in a \$300,000 profit for NMCS.

We received our home health program approval, and the program continues to slowly progress. We are currently waiting for our Medicare number. We have the first new family member enrolled in Certified Nursing Assistant (CNA) classes this week. George said there has been regulatory changes happening at the state level and in that system and family members may not have to become CNA's in the future.

George informed the Board that we are going to convert the main building to solar energy, and this project will start in January 2026. Currently our Mill Levy has a large fund balance and we will be able to utilize these funds to convert the building to solar.

Jen O'Shea, Chief Human Resources Officer (CHRO), informed the Board of Directors that we are changing our payroll software back to Paycom from UKG because it is not doing what we need it to. We terminated the contract because we feel they breached their contract. We asked for the cut off date to be July 6th and are waiting for their reply. Jen said we are prepaid through August for UKG.

You might remember that at the April 2025 Board meeting, one of our guests, Mike Kaupan, suggested turning the work floor into a basketball court/gymnasium so that those who did not want to go out on any given day could have something physical to do here at North Metro. So, George started reaching out to companies and inquiring about a used virtual golf/virtual sports system. A vendor came to North Metro to look at the space we were working with, and when he saw what we do, the vendor took it upon himself to recruit other companies to donate also. This resulted in us getting a brand-new system valued at over \$40,000, and we only had to pay for the labor at \$7,000. This system is very inclusive for all our individuals. We recently also had another donation from Cabela's, who donated a great deal of new fishing equipment because staff had the opportunity to speak to them.

New Business

Margarito Gandarilla, Chief Financial Officer (CFO) presented the Annual Budget for Fiscal Year 2025-2026, and everyone received a copy. The current Projected Revenue for 2025-2026 is \$31,400,587; Total Projected Expenses are \$30,944,680; Capital Expenses are estimated \$119,600; Total Net Operating Income (Net Revenue) is projected to be \$455,907; the budget estimates net cash flows to be at \$666,307.

Jen O'Shea, CHRO, informed the Board that on July 1, 2025, we are switching back to Kaiser for our employee health insurance. Last year, we changed to Cigna and had many large claims, which would have resulted in a substantial rate increase of nearly 30%. Kaiser gave us a transition credit of \$25,000, and the lower premiums allowed us to keep employees' cost at only \$15 per month. Kaiser has been reaching out to our employees by phone and has helped people sign up with doctors and transition medications. The Kaiser staff have been very helpful.

She also stated the 401k contribution for the upcoming year will remain at 4.5% with an increase of .5% for every 5 years the employee has worked at North Metro.

Public Comment

There were no public comments.

Next Meeting

Dr. Bertagnoli gave a reminder that there are no Board meetings in July or August. The next Board meeting will be held on September 25th, 2025.

Adjournment

Dr. Bertagnoli adjourned the meeting at 6:45 p.m.

Motion: 1st: Edie Wallace / 2nd: Warren Taylor / Motion Carries