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North Metro Community Services Board Meeting

September 25, 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 requested a motion to approve the Board Minutes from June 2025, approve the agenda for the evening, and excuse Venesa Bremer and John Coates from the meeting.

Dr. Bertagnoli also introduced a Resolution authorizing George to act on behalf of NMCS regarding the sale of the 1185 building. There is currently an offer of \$2.7 million. Most comparable properties used in the analysis were from the southern metro area, which is undervalued. NMCS pulled its own comparisons and has issued a counteroffer of \$3.2 million.

Motion: 1st: Brian Kraft / 2nd: Cheryl Candelaria / Motion Carried

Dr. Bertagnoli announced that former Board member Michael Konrad has passed away. Michael served two separate three-year terms on the Board of Directors.

Dr. Bertagnoli also shared that Carrie Morris has expressed interest in joining the Board of Directors. He circulated Carrie's letter to the Board.

Finance Committee Report

Doug presented the financial statements for June, July, and August 2025.

June 2025 Financial Statements

Statement of Activities

In June 2025, net revenue of \$54,788 was earned. Net revenues for the month were \$25,808, better than budget. The performance for the month varied by department. Year-to-date net revenues total \$916,865, which were ahead of budget by a total of \$462,087 year to date.

Administration

- In June, the Administration Department recorded a loss of \$41,721, which was \$45,065 worse than what was budgeted for the month.
- Total help fund expenditures were \$64,758, which is more than the budgeted \$30,000 for the month.
 - YTD, help fund expenditures totaled \$491,331, which was \$67,169 less than budget.
- Interest revenue in June was \$49,371, which was \$21,389 less than budget for the year.

Day Program

- Day Program recorded a loss of \$18,617 in June. The loss in June was \$35,490, better than the expected budget amount.
- Day Program has recorded a year-to-date net loss of \$419,265 and remains ahead of budget by \$364,910.
- As a result of a one-time year-end adjustment, Day program incurred \$41,186 in depreciation expense for the month, which was \$21,175 more than budget.
- Total attendance in June was 89% of the maximum, which is near target rate of 95% attendance.

Supported Services

- Support Services recorded a loss of \$7,303 and is short of budget \$27,245.
- Year to date, supported living has lost \$35,103 and is short of budget \$220,066.
- As a result of a one-time year-end adjustment, Support Services incurred \$10,258 in depreciation expense for the month, which was \$9,708 more than the budget.

Residential

- The Residential Department earned net revenue of \$120,129 for the month of June.
- Residential has year-to-date net revenues of \$1,088,371, which are better than the budget for the year by \$315,431.
- The department gained two new placements in June, one in the Family Care Giver program and another in the Host Home program.
- As a result of a one-time year-end adjustment, Residential incurred \$10,009 in depreciation expense for the month, which was \$4,460 more than the budget.

Early Intervention

- The Early Intervention program earned net revenue of \$4,058 in the month of June, which was \$5,853 less than budget.
- Year-to-date net revenue is \$130,597 and is \$89,476 better than the budget for the year.
- As a result of a one-time year-end adjustment, Early Intervention incurred \$14,173 in depreciation expense for the month, which was \$13,548 more than the budget.

Home Health

- The Home Health department, year-to-date expenses amounted to \$3,129 for contracted services and training with no revenues.

Statement of Financial Position

- As of June 30, 2025, our cash balance is \$11,073,223. The cash balance reflects a decrease of \$161,243 from the prior month.
- Accounts receivable total \$3,671,548 and have increased by \$835,230 since the end of May.
 - Medicaid receivables minimally decreased while contract receivables significantly increased from prior months.
 - An increase of \$876,899 is attributable to the Mill Levy contract.
- Liabilities total \$3,825,628 and have increased by \$1,087,519 since the end of May.
 - An increase of \$657,675 in deferred revenues is attributable to the Mill Levy Contract.
 - Accounts Payable increased \$422,379 in June due to the prepayment of the general liability and auto insurance policy.

Capital Update

There were no capital expenditures in June 2025.

July 2025 Financial Statements

Statement of Activities

In July 2025, net revenue of \$564,642 was earned. Net revenues for the month were \$504,158, better than budget. The performance for the month varied by department.

Administration

- In July, the Administration Department recorded net revenues of \$384,035, which was \$366,584 better than what was budgeted for the month.
- Clayton Home was sold in August, which resulted in a gain on sale of assets of \$336,605.
- Total help fund expenditures were \$39,884, which is less than the budgeted \$50,000 for the month.
- Interest revenue in July was \$41,868, which was \$6,451 greater than budget.

Day Program

- Day Program recorded net revenues of \$36,980 in July, which were \$58,029 better than budget.
- Day Program incurred a gain on sale of assets of \$10,500 related to van and equipment sales.
- Program revenues amounted to \$395,281, which was \$26,644 better than budget.
- Salaries and benefits were \$34,685 under budget due to staff vacancies.

- Total attendance in July was 94% of the maximum, which is near the target rate of 95% attendance.

Supported Services

- Support Services recorded a loss of \$6,392 and is short of budget by \$5,345.
- Program revenues totaled \$126,719, which were \$7,410 short of budget.

Residential

- The Residential Department earned net revenue of \$126,254 for the month of July, which was \$65,330 better than budget.
- The department continues to perform well with additional new placements in July.

Early Intervention

- The Early Intervention program earned net revenue of \$23,766 in the month of July, which was \$19,561 better than budget.
- Salaries and benefits expenses were \$22,261 under budget due to staff vacancies.
- Based on the time of year, evaluations were down, but are expected to pick up in the coming months.

Statement of Financial Position

- As of July 31, 2025, the cash balance is \$11,730,087. The cash balance reflects an increase of \$656,864 from the prior month.
 - The sale of Clayton Home contributed \$513,235 in cash proceeds for the month.
- Accounts receivable total \$3,198,081 and have decreased \$473,467 since the end of June.
 - Medicaid receivables increased \$203,439, while contract receivables decreased by \$695,684 due to the receipt of mill levy funds.
- Liabilities total \$3,306,967 and have decreased by \$518,661 since the end of June.

Capital Update

- There were no capital expenditures in July 2025.

August 2025 Financial Statements

Statement of Activities

In August 2025, net revenue of \$224,071 was earned. Net revenues for the month were \$35,592, better than budget. The performance for the month varied by department. Year-to-date net revenues total \$788,713, which were ahead of budget by a total of \$539,750.

Administration

- In August, the Administration Department recorded net revenues of \$65,612, which was \$37,524 better than what was budgeted for the month.
- Total help fund expenditures were \$27,610, which is less than the budgeted \$50,000 for the month.
- Interest revenue in August was \$42,086, which was \$6,669 greater than budget.
- Paycom reimbursed NMCS, \$9,000 in August for HRIS implementation fees incurred in June.

Day Program

- Day Program recorded a loss of \$19,128 in August, which was \$22,531 better than budget.
- Day Program has recorded a year-to-date net revenue of \$17,852 and remains ahead of budget by \$80,560.
- Salaries and benefits expense in Day program is \$59,000 under budget year to date due to staffing vacancies.
- Total attendance in August was 92% of the maximum, which is near the target rate of 95% attendance.

Supported Services

- Support Services recorded net revenue of \$3,601 and is ahead of budget by \$7,545.
- Program revenues totaled \$130,541 for the month, and remain ahead of budget by \$9,554 for the year.
- Year to date, support services have lost \$2,791 and are short of budget \$2,200.

Residential

- The Residential Department earned net revenue of \$149,666 for the month of August, which was \$15,908 worse than budget.
- Residential has year-to-date net revenues of \$275,920, which are better than the budget by \$49,422 for the year.
- The department continues to grow with additional new placements in August.

Early Intervention

- The Early Intervention program earned net revenue of \$24,450 in the month of August, which was \$22,705 worse than budget.
- Year-to-date net revenue is \$48,216 and is \$3,144 worse than the budget for the year.
- Salaries and benefits expenses were \$29,338 under budget due to staff vacancies.
- Based on the time of year, direct services and evaluations were down, but expected to pick up in the coming months.

Statement of Financial Position

- As of August 31, 2025, the cash balance is \$11,669,494. The cash balance reflects a decrease of \$60,593 from the prior month.
- Accounts receivable total \$3,157,271 and have decreased \$40,810 since the end of July.
 - Medicaid receivables minimally decreased by \$10,506 from the prior month.
 - Contract receivables decreased by \$30,304.
- Liabilities total \$2,854,232 and have decreased by \$452,735 since the end of July.
 - Deferred revenues were reduced by \$219,224, attributed to the Mill Levy Contract.

Capital Update

- There were no capital expenditures in August 2025.

Motion: 1st: Bill Hawthorne / 2nd: Brian Kraft / Motion Carried

Executive Committee Report

No report was presented.

Executive Director's Report

Bank Transition: George announced that NMCS will be transitioning banking services from South State to PNC. Several issues with South State included failure to properly transfer the daily credit limit, which resulted in contracted providers being paid late. The transition will begin in late October.

Payroll/HR System: Payroll and HR systems have been moved back to Paycom from UKG. Notice of contract termination was sent to UKG, though negotiations may still occur regarding contract closure.

Home Health Care: NMCS has received approval, but progress is stalled at the Centers for Medicare & Medicaid Services (CMS) since June. A Medicaid Identification number is still pending, preventing forward movement with skilled services.

State Budget Impact:

- The State initially reported a deficit between \$800 million and \$1 billion. A special session was called to balance the budget. As a result, the 1.6% Medicaid provider rate increase (effective July 1, 2025) will be rescinded as of October 1, 2025. This increase represented approximately \$280,000 in annual revenue. Although budgeted, NMCS will not retract the increase already accounted for and will absorb the loss. George reaffirmed NMCS's commitment to protecting staff and services.

- An additional 8% cut to the Family Caregiver Program is anticipated around March 1, 2026. This would reduce NMCS's budget by nearly \$500,000 annually. George stated that all efforts will be made to protect Family Caregivers and their services. A cost-sharing strategy will be developed, and a decision will be made before cuts take effect. A Board discussion followed, during which Edie Wallace expressed concerns regarding respite, compensation, and benefits in the Family Care Giver program.

New Business

Fieldwork for the audit has been completed. Jill Koreneck of JDS Professionals Group will present the audit findings at next month's meeting.

Public Comment

Jerome Robertson attended the meeting and expressed interest in rejoining the Board. Jerome and Board Member Brian Kraft also voiced concerns regarding community activities offered by NMCS Day Programs. Robert Hunter offered to facilitate a meeting with the Day Program staff to address these concerns.

Next Meeting

The next meeting will be held on October 23, 2025, at 6:00 p.m. in the Boardroom.

Adjournment

The meeting was adjourned at 7:00 p.m.

Motion: 1st: Edie Wallace / 2nd: Bill Hawthorne / Motion Carried