

NKHS Board Meeting
MINUTES
4/28/2025

Board Present: Kari White, Chair; Lisa Boskind, Vice-chair; Jane Kitchel, Secretary; Patrick Shattuck, Treasurer; Stacy Thrall, Heather Lindstrom, Susan Franzblau, Christine Milne-O'Grady

Staff Present: Kelsey Stavseth, Ex. Director; Denis Houle, CFO; Sharon Ryan, Chief of DS; Brooke Bury, Dir. Of HR; Erica Perkins, Dir. of Communications; Amy Jones, Dir. of Quality; Carol Hemenway, Ex. Office Admin.

Called to order at 10:05am by Chair White

Motion to approve the meeting agenda as presented was made by Jane. This was seconded by Susan and carried by unanimous consent of the Board present.

Motion to approve the Consent Agenda as presented was made by Susan. This was seconded by Lisa and approved by unanimous consent of the Board present.

Health Insurance Update (Kelsey):

We are waiting for some final cost information from The Richard Group (TRG) regarding health insurance premium costs. We will be offering staff additional plan options and are considering a move to a 1/1 plan renewal date from the current 7/1 date. In doing this, we would be included in the captive and that will help mitigate the cost of health insurance. However, initially this would require staff to have 2 deductibles in one 18-month period (7/1 and 1/1 renewal dates). There will be a change in plan features from an HRA to HSA.

Currently coverage is a platinum plan, the plan value will come down to gold and a 9-13% premium increase is expected. TRG is engaged and has provided guidance for this process with cost savings and education for staff on other insurance options.

Jane asked if the Board needs to take official action around the plan change, Kelsey stated no Board action is needed. The Board is being kept in the loop as this is a large expense, and they may be contacted by staff.

TRG is waiting for some stop-loss information, the workups will be presented once they receive that information. The May Board meeting is on 6/2/2025 and Kari asked when the Board will have the proposal; Brooke noted it will go to the Board electronically once we receive it. There was some discussion around diabetic supplies and medication. These changes have already happened with the change in our pharmacy benefit manager.

Board Education: Local Community Service Plan (Amy Jones, Quality Director);

A System of Care Plan is required of all DA's and should outline goals for Developmental Services (DS). The purpose is to articulate what we are working on as a DA and to document the Board is aware of what the Agency is doing in DS regionally and with our system.

The Elm Street building would serve as the HUB and allow clients to enhance their skills for individual living and to attain ISA goals. This is an established program and is already fully staffed and the grant pays for all expenses. This program allows clients to be in their community. NKHS must provide services to receive funding, and payment is expected with the finalization of payment reform.

Emergency Services/Mobil Crisis are piloting a program to take the crisis phone calls that are coming into DS. This pilot is going very well to date.

Lisa informed the Board that during the recent SWOT analysis by the DS Standing Committee, it was noted that there is a perceived lack of timely communication regarding transportation services. Kelsey stated that NKHS is moving to new structural systems that will hopefully allow for improved scheduling and service provision.

NKHS is currently in dire need of DSP staff. There was some discussion around recruitment practices, and it was noted that advertising is ongoing. It was suggested that we investigate a sign-on bonus for DSPs.

Board Resolution for Lincoln Street Building Purchase (Kari):

Due diligence for this proposed purchase has been done. This is an opportunity to support school children in need of services. This is an opportunity to shape services for children in a good location/good price. There is asbestos in the building that has been mitigated by covering up the asbestos tiles. NKHS would mitigate it fully and remove any asbestos from the building at an estimated cost of \$130k for this abatement. There are no PCBs, and the windows need to be replaced for energy efficiency.

Jane asked if the pilot would be subsidized by NKHS and what the school commitment is for ongoing operational expenses. Kelsey noted that we are absorbing some unknowns, and the program is based on a similar program at Lyndon Town School. This building and program are meant to be an extension of the school.

NKHS will provide family-based services with the appropriate clinical expertise. Shared administrative costs are in negotiation, and it's believed that this program will be sustainable based on the current fiscal review. No cap on the program, and there is the opportunity to expand the program. Transportation savings to the school alone will be significant. The Board asked if projected revenues have been made and if ongoing costs have been analyzed. Patrick shared that we can be comfortable purchasing the building, but it would be good to see the operating budget. Kelsey will provide those details to the Board. Additionally,

Jane would like the Board to see the program operational plan and a tuition schedule. The Board is requesting information around long-term fiscal sustainability of this program. There was some discussion around the need for Kari to abstain because her husband works for the school and her children attend the school. The Board discussed the situation and it was determined that there is no conflict of interest in her voting.

The following Board resolution was presented to the Board for a vote:

WHEREAS, the Board of Directors deems it desirable and in the best interest of this corporation to purchase the building at 115 Lincoln Street, Saint Johnsbury, Vermont by entering into a purchase and sales contract with Northeast Kingdom Community Action, Inc. to enable the expansion of school-based services.

RESOLVED, that the Executive Director is hereby authorized, directed and empowered to execute, for and on behalf of this corporation and in its name, any and all documents required in connection with the approval of the above-mentioned contract, with purchase cost not to exceed four hundred seventy-five thousand dollars (\$475,000.00).

The Resolution passed by unanimous consent of the Board present:

Yes: 8

NO: 0

Abstain: 0

Finance Committee (Denis):

March was strong as was the quarter. Monthly revenues reflect the DS waiver funds of \$900,000. Revenues were ahead by \$258,000 and the case rate was at budget for children's services while the payback for adult services is expected to be around \$15,000; revenues from schools are below budget but are still strong.

Expenses under budget for the moth by \$760,000 including vacancy savings.

Margin saw a gain of \$ 900,000.

Administrative rate is at 15% - travel/plowing costs have been higher and a \$10k sewer repair for the McGoff property will be capitalized.

Balance sheet:

Cash on hand is \$14 million/88days

AR Days are at 33

Payment for retirement benefits of approximately \$1 million was made in April - will see that expense next month

Children's: was strong with a total gain of \$600,000.

Schools: most positions are filled, and the staff have been heavily involved in building the school programs.

CRT and Adult Outpatient are now combined, and next year's budget looks positive.

Emergency Services budget - have applied for grants and working to reallocate expenses; the work with DMH continues as we prove our model and advocate for continued funding.

Diversifying revenue is a strong priority, noted Kelsey. It's been a strong year, and we are working to mitigate potential risks. Development/fundraising initiatives are ongoing.

The motion to approve the financial reports as presented was made by Jane. This was seconded by Lisa and carried by unanimous consent of the Board present.

Employee Retention Tax Credit (ERTC) Update:

Brooke has been in contact with Sen. Bernie Sanders' office regarding the status of this federal credit. She is hoping to have more information in the next week or so. They will reach out to IRS.

HR Update (Brooke):

3rd Quarter report indicates NKHS is holding steady with approximately 520 employees. At a recent Job Fair, the recruiter came back with about 30 resumes.

Voluntary separations are down and are trending downward. There were ten terminations. With a better understanding of staffing, we may see a reduction in vacancy rates.

The Board thanked Brooke for her presentation on turnover and hiring efforts.

Executive Committee Update (Kari):

Revising bylaws to align with CCBHC needs to be done; an ad-hoc work group will be created. Kari, Lisa, Jane, and Susan have volunteered to serve on the work group..

Preparing for annual Executive Director Evaluation – please look for survey and information.

Requesting full attendance at the two June meetings.

Revised Policy 4.2 IS Computer Operations was reviewed and recommended for approval by the Board.

Revised Policy 4.2 Computer Operations (Kelsey):

This revised policy as drafted was discussed with a question around the reference to disc-based storage. The use of this term was clarified by the IT Director.

The motion to approve the revised policy was made by Jane. This was seconded by Susan and carried by unanimous consent of the Board present.

Personnel and nominating committee update (Kelsey):

The recruitment of additional Board members is ongoing, and we are specifically looking for someone with development/fundraising acumen. There is an overall need for diverse candidates. Stacy has some suggested candidates to bring to the nominating committee for vetting. Kelsey and Stacy will connect to discuss.

Executive Director Update (Kelsey):

The State has moved NKHS toward CCBHC readiness and while we only had two months' notice, we are ready. Kelsey gave kudos to all staff involved in this process.

Payment reform and CIO are still in negotiations at the legislative level. We estimate heading toward a payment reform model. CMO's have been determined and are recruiting staff at a higher rate of pay than what NKHS offers; other DA's have had staff turnover.

The annual employee Culture and Climate survey has been done and will be presented at the June 2 Board meeting. There was an increased response rate over last year of 326 compared to 2024 which had a return rate of 273 and this reflects a 56% response rate. Staff will be holding focus groups as follow-up to the survey based on feedback.

The FY 2026 Legislative State budget still provides for a 2% funding increase for DAs. The Governor's budget did not include any increase.

Executive Session:

None

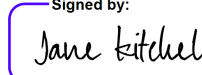
Other business:

None

Motion to adjourn was made by Jane. This was seconded by Lisa and carried by unanimous consent of the Board present.

Adjourned at 12:01pm

Respectfully submitted,

Signed by:
 5/9/2025
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Jane Kitchel
Board Secretary