

NKHS Board Meeting
MINUTES
6/30/2025

Board present: Kari White, Board Chair: Lisa Boskind, Board Vice Chair: Jane Kitchel, Secretary Neila Anderson-Decelles, Susan Franzblau, Diana Gibbs, Heather Lindstrom, Tracey Paul, Stacy Thrall

The Chair called the meeting to order at 9:22 am.

A motion to enter executive session for the purpose of discussing and finalizing the Executive Director's annual performance evaluation and salary was made by Lisa Boskind, seconded by Neila Anderson-Decelles, and passed unanimously. The Board entered executive session at 9:23 am.

A motion to exit executive session was made at 9:50 am by Neila Anderson-Decelles, seconded by Susan Franzblau, and passed unanimously.

The Board was then joined by the following NKHS Staff: Kelsey Stavseth, Executive Director; Laura Nelson, Chief of Organizational Development; Kate Olney, Director of Development; Erica Perkins, Director of Marketing; Carol Hemenway, Executive Office Administrator

A Motion to approve the agenda as presented was made by Neila. This was seconded by Lisa and carried by unanimous consent of the Board present.

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

Finance Committee Update (Kelsey)

The Finance Committee met June 26 and recommended Board approval of the May financial reports.

Kelsey noted that revenues are up, in part due to increased funding for mobile crisis services. Increased revenues are also a reflection of the booked revenue from the Front Porch that had been deferred. Expenses are up in part because May had three payrolls. We do expect to have a payback for Mobil Crisis of \$75,000.

The margin for the month was \$196,000 or 3.3% with a YTD gain of \$2.2 million. There was also a retroactive payment of salary and wages included in the budget.

Children's Programs are doing well; schools are outperforming the budget. There was a combined \$800,000 gain in Children's with Schools showing a \$350,000 YTD gain.

Adult programs are \$97,000 ahead of budget for the month, while CRT has a YTD loss of \$658,000. Adult Services & CRT combined do have a surplus. Two years ago, Adult Programs had a \$1 million loss.

Emergency Services had a gain of \$30,000 for May but are at a \$700,000 loss for the year. Kelsey noted that we are investing heavily in this program, as there is a huge need for these services. We

are starting to see more clients in mobile crisis and hope to draw down more funds for that program next year.

Mental Health programs are \$ 400,000 ahead of budget for the year. These programs currently have a low staffing vacancy rate.

Developmental Services saw a May loss of \$175,000 due to the timing of Aris payments but a \$2 million YTD gain. Kelsey noted that effective 10/1 payment reform will be implemented, and this will affect the budget.

Substance Use Disorder services saw a YTD loss of \$163,000. This very important program and will be part of CCBHC next year; the reimbursement structure will change.

Administration expenses are over budget by \$79,000 for the month. Currently 14.6% which is under Green Mountain Care Board standard of 15 percent.

Balance Sheet:

Cash on hand - \$13.93 million

Cash on hand - 85 days

Accounts receivable - 34 days, and the business office is working to bring that down to 25 days

There was discussion around same-day care availability for urgent care needs. Laura noted that we are able to see clients on the same day in part due to the no-show rate, but this is not advertised or guaranteed. There is also the Front Porch if office-based staff are not available to see someone in a timely manner.

Motion to approve the finance reports as presented was made by Jane. This was seconded by Neila and carried by unanimous consent of the Board present.

FY 26 Budget Review and Approval (Kelsey)

Highlights of the proposed budget include:

Increased starting pay by 1.25/hour for grades 1-8

COLA: will adjust grades 1-8 salaries by \$1.25/hour and grades 9 and up by 2%. These increases are thought to be competitive while being mindful of the budget impact with pending federal and state changes

\$5.2 million is booked for health insurance, staff now have three plan options to choose from

IT is distributing agency phones and beginning with Children's programs staff first

Mileage rate is increased by 0.05/mile which is still below the federal reimbursement rate

Revenues are budgeted at \$69 million

Budgeted vacancy savings assume 100 vacant positions - current vacancy rate is 12 percent

Every program except ES and SUD is budgeted for a gain

Kelsey stated that there is ongoing review of data to build a more structured budget going forward. Federal changes to Medicaid will impact the budget going forward, but to what degree is still unknown. Kelsey acknowledged staff for their hard work to enable NKHS to achieve such a sound financial status. Salary increases were retroactive to 1/1/2025 and paid in July. These payments are not a bonus but are ongoing. These increases were reflected in the May financial reports.

Board Resolution (Kari)

WHEREAS, the Board of Directors deems it desirable and in the best interest of this corporation to establish the FY'2026 budget to maintain operations and meet the mission and goals of the organization.

RESOLVED, the Board of Directors approves the FY'26 Financial Budget for the fiscal year beginning July 1, 2025 including authorizations for:

1. **FY 2026 Budget Revenues:** NKHS, Inc. is authorized to provide services consistent with its mission and goals, and in so doing, expects to earn \$68,837,499 in revenues from various governmental and/or private sources as presented in the accompanying budget plan.
2. **FY 2026 Budget Expenses:** Consistent with the delivery of services, NKHS, Inc. is authorized and expects to incur \$67,297,217 in expenditures for salaries & wages, fringe benefits, contracted services, general operating, and program expenses as presented in the accompanying budget plan. Included in the fringe benefits are non-direct compensatory benefits for employees in the form of a captive health plan, dental plan, STD/LTD/AD&D/Life Insurance, retirement plan and other fringe benefits at an expected cost, as presented in the FY 2026 Budget of \$10,122,281.
3. **FY 2026 Capital Expenditures:** NKHS, Inc. is authorized to purchase property, plant and equipment at an estimated cost of \$2,329,445.

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

Kari thanks the staff for their hard work over the past year.

Executive Director Update

Kelsey shared that staff are expected to share the agency values. He presented slides outlining the core competencies expected of managers/directors/chiefs.

Effective 10/1 NKHS will be using PayCom – a new HRIS system.

Neila noted that we need to help the community recognize and achieve right-sized care, specifically at the Front Porch. She shared her concern that some guests may have a tendency to come seeking care, and in an effort to get that care immediately are saying that they are suicidal. NKHS is working to expand the idea of what crisis is but not preventing community members getting to higher level of needed care. Hospitals are referring to the Front Porch and it seems that the hospitals are trending toward higher utilizing NKHS services; data show hospital visits went from 38% in 2024 to 24% in 2025.

Tracey noted that at North Country Hospital NKHS has a good connection with Primary Care providers and the Emergency Department and there seems to be a lower number of mental health holds.

Diana shared that the NVRH ED is using mobile crisis services. They are challenged with some building codes, so that service is appreciated.

Board meeting with DMH/VDH CCBHC Certification Team

NKHS staff leave the meeting at 11:00 am. The Team requested this meeting with the Board only as part of the certification process.

Members of the Certification Team:

Kameron McConnell, VDH

Patty Breneman, VDH/DSU

Laura Flint, DMH

Puja Senning, DMH

The Team's purpose in meeting with the Board was to elicit feedback on what is going well at NKHS as well as the challenges confronting the agency. Board members mentioned the significant transformation of the Agency under the leadership of the Executive Director, including the addition of key services required by Vermonters living in the Agency's large service area. Major initiatives have been successfully undertaken, and the Agency has established a track record of implementing change. NKHS's role in building community connections and prevention efforts were also cited. Challenges included fiscal uncertainty and the level of state funding; aligning communications and administrative requirements the Agency must manage coming from three different departments in state government - DMH, DAIL, VDH; the lack of housing; workforce recruitment and retention.

Motion to adjourn the meeting was made by Lisa Boskind, seconded by Neila Anderson-Decelles, and passed unanimously. The meeting adjourned at 11:55 am.

Respectfully submitted,

Signed by:



7/16/2025

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Jane Kitchel, Board Secretary