

Board of Directors Meeting
Minutes
3/25/2024

Board Present: Denise Niemira, Board Chair; Jane Kitchel, Secretary; Patrick Shattuck, Lisa Boskind, Stacy Thrall, Neila Anderson-Decelles,

Staff present: Kelsey Stavseth, Executive Director; Laura Nelson, Chief of Org. Dev.; Brooke Bury, Director of HR; Denis Houle, CFO; Carol Hemenway, Ex. Office Admin.

Guest: Alan House, Business Consultant

Tim Streater, CPA from Kittell, Branagan, & Sargent

Note taker: Carol Hemenway

Meeting was called to order at 10:19am by the Chair.

Meeting agenda:

The following items are to be removed from the agenda:

Board resolutions

Fiscal Oversight Policy review & approval

The following correction was made to the agenda: Change of meeting dates should read “April ***and*** July”.

Motion to approve the agenda as amended was made by Patrick. This was seconded by Lisa and carried by unanimous vote of the Board present

Motion to approve January & February minutes was made by Neila. This was seconded by Patrick and carried by unanimous vote of the Board present.

Nominating Committee update (Neila):

Rowan has potentially tendered their resignation from the Board due to personal matters. Neila will request a written notice.

James has requested a leave of absence for medical reasons.

Motion to approve a leave of absence for James thru January was made by Neila. This was seconded by Patrick and received unanimous approval from the Board present.

Program updates were previously sent to the Board for review.

Denise discussed the Organizational Values Committee and the process of high-point interviews. They will be happening over the next 4-6 weeks. Carol will forward a copy of the slide show that outlines the process to the Board and we will do interviews at the next executive committee meeting.

This was not seen as an overstepping of the Board's role as members are involved in the committee.

The meeting date for April is being requested to be moved to the fifth Monday to accommodate preparation of financial reports. The Board present was in agreement with the date change.

April 8th executive committee meeting falls on a closed office day. The meeting will be from 9-11am. That is the date we will do the high-point interviews.

Motion to approve new Board members effective 4/1/2024 was made by Jane. This was seconded by Lisa and carried by a unanimous vote of the Board present.

Finance updates:

The reports for January and February were reviewed and approved by the Finance Committee at their last meeting.

Denis reviewed the February finance reports with the Board present.

February revenues are ahead by \$43,000 and the YTD (year-to-date) revenues are ahead by \$500,000. Some revenues are affected by school years (reduced billable services in the summer months).

- YTD expenses are under by \$1 million. YTD fringe benefits are over \$299,000. Health care expenses will be a significant factor next year and may present a budget challenge. These are unpredictable expenses and Senior Leadership staff are working with a broker to address a 13% premium cost increase.
- Locum services - expenses are \$208,000 YTD.
- Staff transportation \$107,000 over YTD. Staff are encouraged to promote savings, and a pass of the draft budget will be available in May.
- February saw a positive margin of \$193,000 and YTD gain is \$1.1 million. There are some program specific concerns that still exist and will be near impossible to have a margin that aligns with other DA's. Kelsey has encouraged managers/directors to share budget information with their staff and ask for input/ideas.
- Children's (both programs): February gain of \$70,000 with no payback. Two months ago there was a loss of \$100k with this program
- Adult (all programs): February gain of \$58,000 with revenue over by \$155,00. YTD loss of \$695,000 and YTD revenue under by \$34,000. Working on no-show rate. Paid flat rate per person/per month. February Locum expense was \$16,000.
- Emergency Services: February loss of \$50,000 and YTD loss of \$38,000. Includes 988 costs. Will look better next month with grant funding and catch up billing.
- Mental Health Services (MH): February loss of \$34,000 (all MH programs) YTD revenues are under by \$505,000.
- IDDS: February gain of \$256,000 and YTD gain of \$1.8 million. System of care will change in the coming year. Program continues to grow, with 26 June grads.

- SUD: February loss of \$15,000 and YTD loss of \$168,000. Fee- for- service is primary funding. Working to bill appropriately and maximize staff productivity.
- Administration: February expenses are under by \$21,000 and YTD under by \$322,000.
- Balance sheet:
 - \$12.7 million in the bank
 - \$164,000 for Capital expenses (McGoff renovations, van purchase for client, tablets for IDDS)
- 86 days cash on hand

NKHS paid cash for the Lakemont building, but that will be reimbursed by the State of Vermont in March or April of this year.

Days in AR down to 33.99 (this is stable).

The state has accepted the draft audit and this allowed the funding of several contracts and grants to process. This includes funds for both capital space and programming for the Front Porch Program and the 988 Lifeline. The Tuition and Public Service Loan Repayment is also available.

Health care cost will be a \$5 million line item for the next FY - a \$1 million increase from the current year. This is in part due to additional staffing (50% and 50% price increase).

Margin is a \$190,000 gain for the month, continues to be a strong year

Children's has had a couple of strong months – schools have picked up on revenue.

Adult: AOP & CRT are funded from the same bucket – funds are allocated and CRT has fewer clients enrolled. The eligibility and enrollment for CRT is down to state changes and fewer are eligible.

Brooke stated there was a recent interview for a very promising psych provider applicant. Reminder that any salary over \$100,000 requires Board approval.

Motion to accept the finance reports as present was made by Jane. This was seconded by Patrick and carried by unanimous vote of the Board present.

Tim Streeter presented the FY 2022 audit results. He noted that his agency performs the audits for the majority of designated agencies in Vermont. Tim reviewed the audit process, and covered what is and what is not included in that process.

Tim stated that there were no findings. There are notes for the reports toward the end of the report. The ERC funds of \$5 million will help to improve our cash position. Congress is reviewing the applications and NKHS's was prepared by a reputable agency – Synergy. The IRS will have 6 years to audit the 941x. These funds are not being booked as a receivable, as they are not guaranteed. We know the State will look at the balance sheets and the expectation is that we may start to become “underfunded” from the State. He noted that in FY 2022 NKHS met production units.

In comparison to other designated agencies, Tim stated that NKHS is on par with most in regards to revenues and expenses. He stated that the Agency's travel expenses are higher and that is likely due to our geographical location. Currently, all designated agencies are making money in direct-service programs and tend to come in under budget on revenues in Adult and Emergency Service programs.

NKHS received \$4 million in PPP funds and that helped with cash. Kelsey noted that in preparation we are working on programs that currently come in under budget on revenue in preparation for lower funding.

Structure and work flow: the audit for FY 2023 is on track for timely submission, partly because our new general ledger system is better. The audit process consists of an independent review to assure that there is no fraud or abuse. Checks require multiple signatures, and processes are in place at NKHS to ensure there is no fraud.

Tim noted that going forward we will see an improvement with more timely finance procedures as newer staff gain experience and education. This will also the CFO to have a broader overview of financial reporting. NKHS is looking into adding staff to the billing office and reallocating job duties within that department.

The single (secondary) audit will take specific programs to see if funds are being spent and recorded as required. The only issue was the audit timeliness – there were no other findings with this audit.

Motion to accept the audit as presented as made by Jane. This was seconded by Neila and carried by unanimous vote of the Board present.

Executive director updates (Kelsey):

Preparing FY 2025 budget, Denis is meeting with leadership and program directors to determine final budget numbers. Funding is being reviewed as are staffing levels and productivity in the following programs: Adult Outpatient, Mental Health Services, and Substance Use programs. Leadership is also looking at no-show rates in those programs.

NKHS programs are currently undergoing a review of all data (including income and funding) to create more inclusivity, engagement, and transparency within those programs. Kelsey noted that providers are expected to see 25 clients per week and would like to increase that number to 30 per week and for providers to have a caseload of 50 clients. Laura noted that utilization reviews are also ongoing. There was discussion regarding client needs and the frequency of their visits.

The NKHS Staff Advisory Board has had its initial meeting and will meet again next month. That meeting will include a “finance review – 101” for staff not familiar with financial reports. This committee will have voting capacity on certain issues and will influence ongoing decisions, and mirror the Board meetings in structure.

Organizational Values Committee will be conducting high-point interviews over the next 4-6 weeks. Results of these interviews will dictate the specific value words and will become part of our mission, values, and vision statements.

Brooke is currently working on a high-level wage banding document, and once that report is ready from our vendor will present it to the Board for review.

Currently in the process of 360 annual review for Senior Leadership Team and NKHS directors. This process lines up with being a learning organization and provides staff a chance to examine and review their personal goals.

A 5 week Compassion at Work Course was just completed by 35 staff members. This course focused on how to give and receive feedback. Staff who took that training will go on to become coaches for other staff.

Front Porch program funding starts 4/1/24. Open positions have been posted and work is underway on workflow and procedures.

The Agency's DMH/DAIL designation process has had an extension to 2025.

Other business: none

Executive session: none

No quorum at the end of the meeting so no motion to adjourn was necessary.

Adjourned at 11:49 am.

DocuSigned by:
Jane Kitchel 7/2/2024
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