



## **Board of Directors Meeting Minutes**

Monday, August 29, 2022  
10:00 am – 12:00 pm  
181 Crawford Rd, Derby, VT  
Zoom Meeting

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**Present:** Denise Niemira, Chair; Linda Rhodes, Vice Chair; Jane Kitchel, Secretary; Amy Morley, Treasurer; James Hemond; Neila Anderson-Decelles; Lisa Boskind; Kari White; Stacy Thrall;

**Staff Present:** Kelsey Stavseth, Executive Director; Denis Houle, CFO; Brooke Bury, HR Director; Joseph Forscher, Chief of Behavioral Health; Colleen Bosse, Executive Office Administrator; Roseann Sbarra, Director of Operations;

Guests: Terri Lavelly, Training and Development; Sharon Bengston, Adult Outpatient/SA; Amanda Davis, Residential

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### **I. Call to Order and Approval of Agenda.**

Dr. Niemira, Board Chair, called the meeting to order at 10:06 am.

Guests were introduced.

Ms. Anderson-Decelles moved to approve the agenda. Motion was seconded by Ms. Kitchel. There was no discussion. All members present voted in the affirmative. Motion carried.

### **II. Secretary's Report.**

Ms. Rhodes moved to approve the minutes from the July 27, 2022, meeting as written. Mr. Wall seconded the motion. There was no additional discussion. All members present voted in the affirmative. Dr. Niemira abstained as she was not present at the meeting. Motion carried.

### **III. Treasurer's Report.**

Mr. Houle presented the June financial report

Month to Date:

- June gain is \$123,000 = 3.13% margin
- Mental Health and IDDS programs were both ahead of budget
- Adult Outpatient hit the payment reform threshold target; Children's did not meet the target

- The Balance sheet is strong at 99 days of cash on hand
- Vacant positions and fringe benefits are the largest contributors to savings

#### Year to Date

- Yearly gain is \$2.3 million = 5.14% margin
- Mental Health programs are slightly below budget
- IDDS remains ahead of budget
- Substance Use is significantly below budget
- The largest savings is still coming from vacancies (\$874,000) and Healthcare savings (\$809,000)

Ms. Kitchel inquired about the surplus margins that DMH finds acceptable for DAs. The acceptable amount is usually between 3.5-5%, with a minimum target of 60 days for cash on hand. Other healthcare organizations usually operate with 6 months of cash on hand. NKHS is currently at a 5.13% margin. This margin will be reduced, in part, by the employee bonus.

There was discussion about approval of the finances based on the oral report given and the Budget & Finance Committee's recommendation. This has traditionally been the process for approval. The financial report is not approved by the Budget & Finance Committee until the Thursday prior to the Board meeting, which makes for a short time to get information to the full board. No determination was made.

Mr. Stavseth shared his screen with graph of cash and revenues. This flow has been relatively steady throughout the year, with a few dips indicating where bonuses were paid out.

Ms. Anderson-Decelles inquired if staff would understand that a large portion of the surplus is from vacancies and the bonus is based on this. Mr. Stavseth noted that bonuses are not guaranteed and are based on budgets, etc. He will communicate this message with staff through the Roundtable, etc.

Mr. Stavseth shared the financial summary overview. NKHS budgeted for a \$40,000 surplus for FY22 and ended up with a \$2.3 million surplus. The overall surplus will decrease once the bonuses are applied along with some expenses that were attributed to the year. Overall, the budget appears good, due to cross-subsidization. When you drill down there are some concerns. Looking at the budget from program to program presents a different perspective. There is a surplus in children's, but adults has a deficit. IDDS received payment for services over the past year, whether they were provided or not. This payment is not guaranteed for FY23. Substance Abuse is fee for service, and that program is running a significant deficit. As a result, we are looking at allocations and program budgets. We want to learn why specific programs might be struggling and where the staff like med providers are budgeted.

Ms. Kitchel noted that allocations are outlined in the administrative rules, so it is important to look at those allocations in the program lines. Dr. Niemira also noted that payment reform in IDDS may have a significant impact in the near future. Additionally, staff raises

took effect on July 1, 2022, which will have an impact on the overall payroll moving forward.

Ms. Bury reported there has been a net gain in employment from July 1 to present. There have been 26 new hires and 15 departures. There are still approximately 80 vacancies for direct service positions.

Ms. Thrall inquired about collecting data from staff who leave the agency and whether there is the need to maintain same size employee base. Mr. Bury explained that exit interviews are routinely done, and we track reasons for leaving. The size of the agency/number of employees is dictated by the need of the community and the qualifying factors in the community.

Ms. White moved to approve the June 2022 financial statements, as recommended by the Budget and Finance Committee. Ms. Kitchel seconded the motion. All members present voted in the affirmative. Motion carried.

Ms. Kitchel moved to approve the FY 2022 financial statements, as recommended by the Budget and Finance Committee. Ms. Boskind seconded the motion. All members present voted in the affirmative. Motion carried.

Dr. Niemira reminded the Board that at the June meeting, there was anticipated surplus and approval of capital expenditures to help eliminate surplus. The possibility of a bonus for staff was also discussed, although specifics were not available since the year end finances were not available. Although the Board did approve an amount for capital expenditures, not all of those dollars were able to be spent down due to circumstances and timing.

Mr. Houle shared his screen with information about the bonus, expected to be \$630,000, including FICA tax and pension contribution. There was discussion around the final amount of the bonus and the pension contribution. Pension contributions are not due until later in the year. If an employee leaves before December they will not be eligible for the 5% pension; they need to be employed on December 31. Therefore, the exact total amount of the bonus will not be finalized until December. The bonus is created on a tiered system, based on the number of hours an employee works per week.

Ms. Anderson-Decelles moved to approve the Staff Bonus Resolution for FY2022, not to exceed \$630,000, as recommended by the Budget and Finance Committee. Ms. Kitchel seconded the motion. Motion carried by unanimous decision.

#### **IV. Standing Committee Reports**

Standing committee reports were included in the board packet.

Addictions – ADAP now goes by DSU (Division of Substance Use Disorder)

Adult – Minutes needed to be amended to change the spelling and consumer status of a member. Ms. Thrall attended the meeting. Events in the community were discussed. There seems to be a lack of understanding by the committee about what NKHS does at tabling events and if standing committees should participate. The committees are not informed or

invited. These events could also be an opportunity to recruit committee members. There is a need to clarify the roles of committees.

Ms. Lavelly acknowledged NKHS is working on this and has created a communications committee to help better coordinate events. Standing Committees could be included in the work flow. Also, the new Director of Communications will take over this.

There was additional discussion about employees attending weekend/after hour events as employees or volunteers. Hourly employees get paid. Any volunteers should be recognized. There was a suggestion to institute a new volunteer award.

Children's – Nothing additional to report.

IDDS – Ms. Boskind noticed the IDDS minutes are a month behind. Ms. Bosse explained this is due to the timing of the IDDS meeting and the Board meeting.

## **V. Compliance Report**

Mr. Hunt presented the quarterly compliance report. For Quarter 3 there was:

- 1 grievance
- 6 subpoenas (considered a higher than normal amount but all routine participation and clinically appropriate)
- 2 critical incident reports
- 0 non-critical incident report
- 15 Complaints - 1 escalated to grievance

Due to the nature of the information presented, Ms. Thrall discussed whether this information should be presented in Executive Session. The information is required by DMH to be reported to the Board. Information should be an overview and should not include specific or identifying details. Ms. Bosse reported that historically there was a compliance committee of the Board who reviewed the report before it was presented to the Board.

There was some question if complaints should be part of compliance. Mr. Hunt explained that in practice complaints come along with grievances and therefore come to him.

## **VI. Nominating Committee/Board Terms**

According to the Bylaws, the Nominating Committee must meet 30 days prior to the Annual Meeting for nominations to the Board. Due to the need for more Board members, some additional directors were admitted this year prior to the Annual Meeting, as needed, and as permitted by the Bylaws. The committee is scheduled to meet on Wednesday.

Current members completing their terms and requiring re-election include:  
First term - Ms. Anderson-Decelles and Dr. Niemira  
Second term – Mr. Wall

## **VII. Board Self Evaluation**

According to Policy 1.3, Board Self-evaluation, the Board is required to do a self-evaluation prior to the Annual Meeting. Dr. Niemira recommends doing a SWOT analysis this year, which could be done in September or October.

Mr. Stavseth recommended having some targeted questions to prompt strategic priorities. Dr. Niemira inquired about input from the Senior Leadership team. Ms. White can offer some guidance around DEI.

## **VIII. Strategic Planning & Reporting**

The final draft of the strategic plan report is complete. Dr. Niemira and Mr. Stavseth discussed some edits, including the list of Board members interviewed. It is important for the Board to be well-represented in participation and responsibility in approving the plan and that the Board supports staff participation and inclusion. The Board does not need to take action to officially approve the report.

It is important to keep the strategic plan a living document. The Senior Leadership Team will be responsible for implementing the plan. There will be 2 reporting methods:

- 1) Monthly report by directors, which will be mostly narrative and include some data. This will be a reflective process on what worked, what didn't work, and what are we going to do next.
- 2) Senior Leaders will complete quarterly formal reports to the board. These will be more intensive and examine where we are at and what needs to be done.

The first report will be due in October for the month of September. This includes the monthly report and the quarterly report. The information will be shared and is designed to create engagement and transparency. It will be important to communicate – to share stories and celebrate our work.

## **IX. Executive Director Updates**

### **Director of Communication and Community Engagement**

We are currently conducting second round interviews for this position.

### **Staff Engagement**

Mr. Stavseth restarted this initiative after taking the summer off and met with a group of four employees last week.

### **Picnic**

The Annual Picnic was held earlier this month. It was wonderful to be in person and celebrate the staff.

### **Legislative work**

NKHS is considering holding a Legislative breakfast in October. Ms. Kitchel suggested waiting until after the elections, as new legislators might benefit from that. Mr. Stavseth noted that candidates would also be invited.

### **JEDI**

NKHS is looking at beginning this work and how to prepare and structure this.

**Warming Shelter**

There was an article in Caledonian Record addressing homeless issues. NKHS is working with NECKA to support a warming shelter. NKHS will not be managing the shelter but will support it.

**Orleans Conversation**

NKHS held a Community Conversation in Orleans. Chip Troiano and Vicki Strong were present, although no community members were present. NKHS will continue to look at how we go about engaging the community and having conversations that are important to them.

**Cornerstone**

Cornerstone is still in the appeal process and waiting on the judge’s determination. We have set ourselves up to immediately enter into the application process if necessary.

**X. Guest comments and questions**

There were no guest comments or questions.

**XI. Adjournment.**

There, being no further business, a motion to adjourn the meeting was made by Mr. Wall seconded by Ms. Rhodes, and passed unanimously. The meeting was adjourned at 11:48 pm.

Respectfully Submitted,

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Jane Kitchel, Secretary

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Date

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The next Board meeting shall be held on September 26, 2022, at 10:00 am.