

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM
FINANCE, PERSONNEL & PROPERTY COMMITTEEMEETING MINUTES**

May 26, 2016

11:00 a.m.

NCHC – Wausau Health Care Center

Present:

X	Randy Balk	X	Bill Miller	EXC	Robin Stowe
X	Bob Weaver	X	Jeff Zriny		

Others Present: Michael Loy, Brenda Glodowski

Guest: Rick Seefeldt

The meeting was called to order at 11:00 AM, roll call taken, and a quorum noted.

Minutes

- **Motion**/second, Miller/Weaver, to approve the minutes of the 4/28/16 Finance, Personnel & Property Committee meeting. Motion carried.

Financials

- April financials were reviewed.
- There was a small gain in April. The hospital census was ahead of target. Nursing Home revenues are struggling. Nursing Home census averaged 204 with a target of 213. The month of May has seen an improvement in the nursing home census averaging 207-208. Medicare census improved with an average of 22 compared to the target of 23.
- Overall, Outpatient areas were at target with some areas exceeding target.
- Making progress with expenses with benefits back on target for the month, however, health insurance year to date is still high. State institute expenses continue to be over target, and drugs were also high during the month.
- Nursing Home is showing a loss of \$569,000 to date which is reflective of the low census. Administrator is managing expenses. Based on the presentation by Wipfli a year or two ago, a decline in revenue was anticipated if the upgrades to the nursing were not completed; so this is not a surprise as a result of the 'no action' by the County. The Nursing Home Operating Committee is diligently working on an action plan.
- Committee expressed concern that the county has not yet released the \$475,000, or even a partial payment, to cover the additional expenses incurred in 2016 following the additional services requested.
- **Motion**/second, Miller/Balk , to approve the April financial statements. Motion carried.

Write-off's

- Nothing significant to report. No questions/concerns.

CFO Report

- Vendor for nursing home billing software (ECS) is onsite this week building the billing system. On target to proceed with parallel billing in July.
- Days in Accounts Receivable measure is within the target range for the third month in a row; currently at 64 days (target is 60-65 days).

Review and Discussion of Capital Policy/Processes and Discussion: 2017 Budget Process

- Budget process begins in May and will be a topic on the agenda each month throughout the budget process; will bring updates each month and review proposed budget prior to Board approval.
- Committee reviewed the Capital Policy in February but wanted to review capital component again.
- Committee reviewed what the 'undesignated funds' component consists of as well as our goal to have 90 days invested cash on hand.
- Committee requested to have a review of the Fund Balance at the next meeting.

Approval of 5-Year Capital Plan and Marathon County 2017 CIP Requests

- Items that impact the facility/capital are submitted to Marathon County CIP for approval in the county budget.
- 2017 projects were submitted to the Health & Human Services Committee for approval as required. Health & Human Services recommended approval of all items except the pool and nursing home projects which will be handled separately. CIP will provide their determination by the end of July. We will then need to build into our budget anything that is not approved through CIP.
- **Motion**/second, Miller/Balk, to approval the 5-year facilities capital plan for recommendation to the Board for approval with the exception of the nursing home remodeling and pool. Motion carried.

Consideration of Collateralization of Funds Requirements in the Investment Policy

- Background: Eight to nine years ago NCHC had limited investments and cash backup. An objective at that time as an organization was to build reserves. Our targets were identified and a policy developed which identifies invested cash and 90 days cash on hand (90 days is a standard in healthcare).
- Last year the Finance Committee discussed the potential of collateralizing funds. We began to pursue this process with Abby Bank, as it holds the majority of our CD's, which took several months to accomplish. Not all banks are willing to do this.
- Collateralization is a pledge of a government agency to cover the funds should the bank fail. This is not a normal process in health care.
- Committee recommended a discussion on collateralization be done with Marathon County Finance Director along with a review of our policy.
- CFO requested additional direction/review of 'not insured'.

Future agendas:

- Update on 2017 Budget Process
- Fund Balance
- Investment Policy

Motion/second, Miller/Weaver, to adjourn the Finance, Personnel & Property Committee meeting. Motion carried. Meeting adjourned at 11:55 a.m.