

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
JOINT MEETING OF EXECUTIVE COMMITTEE AND THE RETAINED COUNTY BOARD
AUTHORITY COMMITTEE (RCA) OF LANGLADE, LINCOLN, AND MARATHON COUNTIES**

**July 18, 2017 1:00 PM Marathon County Courthouse Assembly Room (B-105)
500 Forest Street, Wausau**

Present: X Jeff Zriny X Jean Burgener
 X Robin Stowe X Bob Weaver

Present Representing the RCA Committee: Nancy Bergstrom, Chad Billeb, Lance Leonhard, Robin Stowe

Others present: Michael Loy, Sue Matis, Brad Karger, Laura Scudiere, Kurt Gibbs, Brenda Glodowski

Call Joint Meeting of the North Central Health Care (NCHC) Executive Committee and the Retained County Authority Committee to Order

- Lance Leonhard called the RCA Committee to order at 1:00 p.m. and Jeff Zriny called the NCHC Executive Committee to order immediately afterwards.

Policy Issue Discussion and Possible Action

A. NCHC Compensation Plan (including CEO Compensation)

1. Presentation of Plan by NCCSP Executive Committee

Discussion:

Jeff Zriny led off the discussion by characterizing NCHC as a “quasi-government” organization, a hybrid of government and healthcare. He believes that NCHC needs to be viewed as more than a community programs department of three counties. Certainly the organization is owned by the member counties, but to best meet their needs, the leadership of NCHC needs to be flexible, responsive and visionary. A purely governmental organization may be more limited in its capacity to innovate, risk avoidant and the executives typically do not have bottom-line accountability. Working with third party payers is unique to health care and maximizing revenues from those sources requires more business acumen than simply collecting property and sales taxes.

The discussion focuses on the relevant labor market government, health care or a hybrid in the middle.

Michael Loy suggested that Brown County Human Services provided the closest possible job match in comparison.

- Brown County did not load their indirect costs into their program costs.
- Brown County had the same tax levy contribution without the indirect costs loaded.
- Brown County has a 63 bed nursing home compared to Marathon County’s 180 bed facility.

Jeff Zriny pointed out that if we apply a governmental labor market to the CEO position there will be pay compression with other administrators and skilled therapists. If pay is reduced, positions will be vacated and hard to refill.

Nancy Bergstrom said that the pay issues have been around for a long time and resolving them is one of the reasons that the RCA exists.

Robin Stowe suggested that at its core NCHC is a multi-county department of community programs. Currently, however, NCHC is more than a Department of Community Programs and care must be taken to ensure that we are not overpaying executives but also that we retain the quality of leadership necessary to be nimble and innovative.

Michael Loy stressed the importance of coming to consensus on compensation policies. Michael put forward that the Executive Committee's pay proposal is 25-30% less than QTI's recommendations, but substantially more than the County Government pay comparables. Michael emphasized that the CEO has business line responsibilities and ensures regulatory compliance. The Executive Committee proposal is consistent with the trend line going back a few years.

Nancy Bergstrom said that Lincoln County is interested in the quality of services and the bottom line and not what specific people are paid. Lincoln County is focused more on good services and an affordable cost but she fears that the salaries proposed may represent "deal breakers" for Marathon County.

Jeff Zriny clarified that the Executive Committee would like to conduct a promotional search and offer a starting salary of \$195,000.

Action:

None taken.

Follow through:

None requested. Discussion on this topic continued later in the meeting.

CEO Job Description and Recruitment Planning

1. Presentation of updated description and plan by NCCSP Executive Committee

Discussion:

Jeff Zriny explained that the job description had been updated to characterize NCHC as a "quasi-governmental" organization and not a government department of three counties. Further, they recommend an expedited selection process focused on internal candidates, as they believe that a well-qualified candidate exists within the NCHC organization.

Michael Loy asked the RCA, "What selection process can the RCA have confidence in?"

Consensus emerged that until the compensation issue was resolved the recruitment process cannot be started.

Nancy Bergstrom made it abundantly clear that she did not question Michael Loy's abilities, but she wondered how a purely internal recruitment would be viewed by key stakeholders.

Action:

None taken.

Follow through:

None requested.

Adjournment of the North Central Community Services Program Board Executive Committee

- **Motion**/second, Weaver/Burgener, to adjourn the NCHC Executive Committee Meeting at 2:00 p.m.
Motion carried.

Minutes prepared by Brad Karger on July 26, 2017