

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
FINANCE, PERSONNEL & PROPERTY COMMITTEE**

January 26, 2017 11:00 AM North Central Health Care – Badger Room

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

Others Present: Brenda Glodowski, Michael Loy

Meeting was called to order at 11:03 a.m.

Public comment for Matters Appearing on the Agenda

- No public comment(s) made.

ACTION: Approval of 12/15/16 Finance, Personnel & Property Committee Meeting Minutes

- **Motion**/second, Stowe/Balk, to approve the 12/15/16 Finance, Personnel & Property Committee meeting minutes. Motion carried.

December Financials

- Please note that December Financial Statements are preliminary. The 2016 audit is in progress and the final report will be provided in March. Some items are outstanding yet i.e. legal expenses and inventory.
- Balance sheet includes the changes that were approved at the December meeting of the Board. Some comparisons to 2015 show that net patient accounts receivable is down and investments are up by \$500,000.
- Same concerns this month in that there was low census in the nursing home, hospital was busy with census averaging 15, and Community Treatment continues to be busy.
- Overall revenues exceeded targets. We have received several year-end settlements along with carry over funds from Base County Allocation, additional funds from the Intoxicated Driver Program, and the 85.21 Grant.
- Expenses were high which were attributed to the same items as in previous months, i.e. state institutes, health insurance and additional legal expenses. We also received notification that the Civil Money Penalty related to the citation received last fall will likely be around \$6,000 which will allow us to retain the CNA training program. We have yet to hear what the penalty will be from the Office of Inspector General but anticipate around \$20,000. Drugs were also high for the month and contract labor in December was high due to difficulties filling open positions. We experienced a significant increase in psychiatry locums as well.
- We will see nearly \$1.8 million deficit for the year. There was over \$4 million in increased expenses over targets relating to the areas that have been addressed most of the year. These include health insurance, state institutions and other institutions, increase in crisis services and increased psychiatry costs due to using locums. A significant portion of this increase was offset by decreased expenses in a number of support areas.

- We are exploring several areas that will focus on serving the youth; working with a child psychiatrist, and looking to establish services to help address the increasing need for youth and youth crisis services. Currently we are not able to treat those under age 13 and last month alone 75% of the cost for State Institutes was due to youth crisis. Suggested an important area of focus would be in coordinating with Social Services for a safe discharge plan so the youth have a place to go when leaving the State Institutes. We have identified the need which is a gap between Inpatient services and home and now we need to fill that gap. For example: Bellewood residents are moving to another location which leaves the current CBRF residence available for a potential youth stabilization home. With the current limited options we have little opportunity for reducing diversions unless alternatives are created.
- **Motion**/second, Stowe/Weaver, to approve the December Financial Statements and Financial Report. Motion carried.
- Write-offs are included in packet. No additional discussion.

CFO Report

- Distributed and reviewed year-end financial statistics.
- Working to provide a complete and total separation of balance sheet between the human services operations and the nursing home.

2016 Audit Update

- Audit preparations are in progress. Auditors will be on site next week. Report will be provided in March. Some preliminary work was completed a few months ago.
- As part of the new joint agreement the Retained County Authority Committee will recommend auditors for the 2017 audit.

Maintenance Transition

- The transition is going well. A new maintenance management system (Facility Dude) is being introduced. Weekly meetings are held with the maintenance team.
- Meetings are also being held with Brad Karger and Michael Lotter to discuss a master facility planning project. Next month we may have a request to do a master facility plan. Projects aimed at investing to enhance revenue streams and address cost structures.
- Circulation in and through building is one area of focus; feel as though the current footprint for human services programs could really be substantially decreased.

Consideration of the Creation of a General Corporation Counsel Position

- Overall it is felt that this organization is underserved in legal services.
- The following consideration is being requested: 1) hire an attorney; or 2) create a retainer arrangement with Ruder Ware which would establish office hours at NCHC with a fixed retainer service and additional funding for special projects. An advantage with the retainer is the access to more attorneys, knowledge, etc. We currently utilize John Fisher, whose expertise is health care law.
- **Motion**/second, Balk/Stowe, to recommend pursuing adding general counsel either on a full-time basis or via retainer. Motion carried.

Adjourn

Motion/second, Balk/Stowe, to adjourn the Finance, Personnel & Property Committee meeting at 11:53 a.m. Motion carried.

dko