

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

June 29, 2017

11:00 AM

Westwood Conference Center–Wausau

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

Others Present: Michael Loy, Brenda Glodowski

Meeting was called to order at 11:00 a.m.

Public Comment for Matters Appearing on the Agenda

- No public comment(s) made.

ACTION: Approval of 05/25/17 Finance, Personnel & Property Committee Meeting Minutes

- **Motion**/second, Weaver/Balk, to approve the 05/25/17 Finance, Personnel & Property Committee meeting minutes. Motion carried.

May Financials – B. Glodowski

- Received the supplemental payment the end of May and in mid-June received the State receivable. May had a gain of over \$334,000. The nursing home census improved from 182 to 184 and Medicare census averaged 18. Census on the inpatient unit has been decreasing slightly. A change in leadership can have an impact. Dr. Dibala has a strong desire to get individuals to a less restrictive area which reduces their stay on the inpatient unit. Will monitor for effectiveness in readmission rates.
- Revenue overall was slightly under target while overall expenses were below target by \$327,000. Benefits and salaries are under budget. Health insurance costs have improved tremendously since last year and are currently below target. Benefits continue to do well. Through May the organization is \$858,000 ahead of target.
- State institute expenses were very good in May and year to date they are just \$12,000 above target. By end of June we anticipate being below target and may have another credit from the state institutes. As a reminder, we hired an RN to closely manage the cases at the state institutes, talking on a daily basis with them, which has proven to have had a positive impact on utilization. The main concern remains around youth and finding an alternative placement in the community and are working with Social Services for a solution.
- The nursing home saw a gain which helps our goal to eliminate the deficit by year end. The changes made last December have had positive results.
- The nursing home study report will be released tomorrow. They have some good insights and recommendations, however, some of the recommendations they noted were implemented last year already but there may be other opportunities for improvements. Their perspective is to continue in the nursing home business because we have a good asset.
- **Motion**/second, Miller/Balk, to accept the Financial Report and May Financial Statements. Motion carried.
- No discussion or questions regarding write-off's.

Budget Update - B. Glodowski

- The Wisconsin Retirement System is decreasing contributions by .2%.
- Currently working with insurance agents on health insurance costs for next year.
- The 2018 budget is being prepared and incorporates recommendations from the RCA. We are on schedule however, given the new timeline (earlier by two months) we must base some assumptions ahead of the budget year. We will also be developing a 2-year forecast.

CFO Report

- RFP responses for the audit firm are due 6/30/17.
- A review of the revenue cycle for mental health services is being done today and tomorrow.

Facility Asset Portfolio Composition, Ownership Status and Strategy for NCHC – M. Loy

- The changing dynamics in the three counties affects the properties that NCHC manages which are leased through the counties, the City of Wausau, and with landlords. Two years ago NCHC began paying insurance on all leased properties. To meet operational/regulation requirements we must maintain/update the facilities which in turn improves the property's value. The master facility plan will include how we manage our properties and how we move forward with the main campus.
- We are in the process of selling the Bellewood property. Bellewood was a 6-bed group home but the point of efficiency is 8-beds which led to leasing the Andrea Street location. We are also working with Marathon County to potentially sell Hillcrest to downsize the number of CBRF's we operate. The proceeds of these sales will be used for a youth crisis stabilization group home, which Marathon County has agreed to and would be owned by NCHC. The cost to renovate one of these properties is close to building new construction for this purpose. We have shared our proposal with the State. The State will issue an RFP and potentially 2-3 licenses. We hope the project will begin in mid-2018 if we are selected.
- We are currently working with Lincoln County and an architect on a major renovation to the building in Merrill where NCHC has offices which has been going very well.
- One of the challenges in managing properties with the current facility management arrangement is that now there is propensity not to provide all the needed maintenance of them due to the potential risk to Marathon County. If we continue to lease and outsource maintenance it puts us in difficult situations where NCHC staff has to perform duties that maintenance used to.
- When the Community Corner Clubhouse moved locations to North 3rd Avenue, we invested about \$110,000 in renovations. The property is now worth \$235,000 assessed value. Rent is \$25,000 over an 8 year lease, which basically pays for the cost of the building.
- Following discussion on the pros and cons of managing a property portfolio, investing in properties, leasing, maintaining properties, whether or not NCHC continues providing residential services since it is not a mandated program, etc., the committee asked M. Loy to do the following:
 - Explore our own maintenance for the group homes.
 - Explore the option/negotiate the purchase of the Clubhouse building.

Discussion and Future Agenda Items

- None

Adjourn

- **Motion**/second, Miller/Balk, to adjourn the Finance, Personnel and Property Committee meeting at 11:45 a.m. Motion carried.

dko