

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM  
BOARD MEETING MINUTES**

November 17, 2016

12:00 p.m.

NCHC – Wausau Campus

**Present:**

X	Randy Balk	X	Steve Benson	X	Ben Bliven
X	Jean Burgener	EXC	Holly Matucheski	X	Bill Metter
X	Bill Miller	EXC	Corrie Norrbom	EXC	Scott Parks
EXC	John Robinson	EXC	Greta Rusch	X	Robin Stowe
X	Bob Weaver	X	Jeff Zriny		

Also Present: Brenda Glodowski, Michael Loy, Sue Matis, Laura Scudiere

Finance, Personnel & Property Committee Meeting was called to order at 12:12 p.m. by Committee Chair Weaver and the NCCSP Board meeting was called to order by Chairman Zriny at 12:12 p.m. for a Joint meeting of the North Central Community Services Program Board and Finance, Personnel & Property Committee meeting, roll call taken, and a quorum noted.

Public Comment for Matters Appearing on the Agenda

- No public comment made.

Chairman’s Report and Announcements

- Collaborate Care Committee, with members appointed by the three counties, has been meeting regarding concerns expressed in the anonymous letter that was provided to many Marathon County Board members. Meetings are continuing and will report out on findings.
- Chairman Zriny addressed the NCCSP Board on his 2016 reflections. This year has been frustrating. Crisis became an issue this year and continued to ferment from 2015 into 2016 with the attempt from Marathon County to withdraw from the Tri-County Agreement. This situation has had a negative impact on the entire organization; have been reacting to allegations with little substance behind them; have also been responding to regulators as well. This year has been particularly challenging for the leadership team. They are to be commended for all they have done. These situations have kept the organization from implementing other opportunities. On a positive note, Michael has had a tremendous growth opportunity through ‘baptism by fire’ and being thrown into difficult situations this year. He has taken them head on. Mr. Zriny feels Michael has strengthened the leadership team and helped them to identify issues to focus on in 2017.
- Elements of Success for 2017: Put the patient back into perspective; psychiatry recruitments will be key with residency program; capital improvement i.e. hospital, crisis center, youth crisis and we need to spend money to improve quality services. Where/how is Marathon County going to go with the nursing home? Once the Tri-county Agreement is completed then renewing the trust with organizations, the three counties, and leadership team at NCHC. We will communicate and be as transparent as possible. Looking at 2017 with excitement after a difficult year. Commend leadership team for keeping things together and responding to needs of the three counties.

OPEN for Public Hearing on the Proposed 2017 Budget

- No public comments made.

### Finance, Personnel & Property Committee Report

- **Motion**/second, Balk/Miller, to approve the 10/27/16 Finance, Personnel & Property Committee Meeting Minutes. Motion carried.
- October Financials showed a small deficit for October just over \$65,000. Revenues overall were above target with expenses continuing to be an issue. The nursing home was down with an average census of 199 and a target at 210. The hospital continues to be busy with an average census of 18 and a target of 14. Outpatient areas are consistent with Community Treatment revenues doing very well.
- Expenses that are high include health insurance, state institutes, crisis, and the hospital.
- Lincoln and Langlade Counties are within budget parameters; Marathon County is not within budget parameters.
- **Motion**/second, Weaver/Balk, for the Finance, Personnel & Property Committee to approve the October Financials. Motion carried.
- **Motion**/second, Metter/Burgener, for the Board to approve the October Financials. Motion carried.

### Discussion of Potential Write-Off of CIP for Nursing Home Project

- The 'construction in progress' account shows \$518,000 related to the entire nursing home project since 2014; much relates to professional fees for the project. If the project does not move forward, the entire amount would be written off. Our auditors indicate if construction moves forward in 2017 we would be able to roll most of it into assets of the project. However, about \$20,000 in fees would need to be written off. At this point, there is potential for 70% or more of Angus Young work previously done to be usable.
- We are not able to amortize because the project is in progress yet.
- It has not yet been determined who will oversee the governance of the nursing home. Marathon County is on record saying they would like a decision on the nursing home project in the first quarter of 2017. Because Marathon County won't have a resolution by 12/31/16 we will need to estimate as best we can how much is salvageable. At this point, write off the \$20,000 of fees that are not usable and hold on the rest since there is still potential to move the project forward.

### CFO report

- All investments are collateralized.
- Working with PFM Asset Management Group who Marathon County utilizes.
- Preliminary audit work has been completed. Early indications focused on receivables, health insurance, and third party liabilities, looks good at this point.

### Consideration of Adoption of the 2017 Proposed Budget

- **Presentation of stop loss considerations for health insurance** - Sue Matis has worked with a consultant and reviewed our reports. Since 2012 targeted vs actual was accurate; 2013 projected was over actual; in 2016 it flipped upside down. Still at a positive actual projected over the median term. Industry standard shows there are typically about three good years before a poor year. We are still running favorably overall. After review of the stop loss level with M3 and the NCCSP it was recommended to stay at \$225,000 for stop loss.

- **Review fund balance policy and status** – Request is being made to approve a budget that is not balanced overall but not balance between the nursing home and human services programs. Do we have the authority to balance the budget with reserves?
- Health insurance enrollments came back better than originally budgeted for; will be looking at revenue options and closely watching expenses to close the deficit into 2017.
- **Recommendations for address the nursing home operational deficit** - The Nursing Home Operations Committee was tasked with identifying what it would take to balance the nursing home budget. In order to do so the Committee has determined that a massive change would be necessary i.e. reducing the number of nursing home beds by 30%. The Committee is carefully considering this drastic change due to the impact to the community, types of care provided, revenue affected, ability to access staff, etc. The Committee recognizes that our staff continue to be concerned about the future of the organization and their jobs. A change of this magnitude cannot be pursued without the input from Marathon County and a strategic plan for the nursing home. Mr. Karger, who fully appreciates the situation, will assist in moving the nursing home strategic plan and operational assessment through the county process. It was noted that:
  - Marathon County was presented with this situation three years ago and did not approve the recommended remodeling/restructuring. In 2013, the projection was accurate on the ‘doing nothing’ scenario which is what is being experienced today.
- **Hospital census and diversion** data was reviewed. It is projected diversion costs for 2016 will reach \$1.6 million and next year \$1 million. The Department of Health Services will be meeting with us and Winnebago to review why our costs are higher than others in the state and what has driven the diversions up. From 2015 to 2016 our diversions have doubled. Laura Scudiere provided a review of diversions for 2015-2016.
  - It is felt diversion costs would decrease if we could convert double occupancy rooms to single giving the ability to increase capacity and add additional CBRF beds for crisis residential (currently 6 bed capacity). The Board requested additional comparison data: types of patients served compared to other counties i.e. Brown County; breakdown of costs and projected impact on how it would lower costs for diversions; how many track from methadone clinic and impacts utilization of our services. Once the tri-county agreement is finalized we can move to make definite changes to programming.
- \$500,000 is being requested for contingency funding. This would be designated from cash. It is not part of the operational budget. Request has also been made to designate \$500,000 from Unrestricted Fund Balance as contingency. Any use of these contingency dollars would need NCCSP Board approval.
- **Motion/second**, Weaver/Stowe, to approve for consideration of the Board for the adoption of the 2017 budget with the Finance, Personnel and Property committee. Motion carried.
- **Motion/second**, Burgener/Bliven, to approve the Proposed 2017 Budget. No further discussion. Motion carried.

#### Agreement for Facilities Management Services Transition and Implementation Plan

- Marathon County wanted to see the maintenance of the NCHC buildings transition to Marathon County since Marathon County owns the property and building.
- Draft Maintenance Agreement was provided in your meeting packet for your review. Updates to the agreement will be brought back in December. We have identified four concerns: 1) Marathon County would assume preventative maintenance on NCCSP equipment. 2) Transfer of housekeeping department to Marathon County in 2018. We have not agreed to this and would like it removed at this time. 3) Regulatory Compliance – we have to be in compliance with life safety codes and we don't feel there is enough clarity when surveyors come in about who takes on the responsibility for it. Someone must know the code which is in the statutes. If Marathon County doesn't take that over we would need to hire for that. Because this has to do with our license, it was suggested that we contact the State for their recommendation. 4) On occasion, our maintenance staff would travel to Langlade and Lincoln Counties. Moving forward we would need to work with the respective county's maintenance departments and possibly develop a similar agreement.

#### Adjourn Joint Meeting with Finance, Personnel & Property Committee

**Motion**/second, Stowe/Balk, to adjourn the Finance, Personnel & Property Committee meeting at 1:26 p.m.

#### Approval of 10/27/2016 NCCSP Board Meeting Minutes

- **Motion**/second, Metter/Burgener, to approve the 10/27/16 NCCSP Board Minutes. Motion carried.

#### Executive Committee

- Committee reviewed the 2017 budget and noted Mr. Karger was very complimentary about the budget this year with the additional detail provided compared to previous years.
- Committee assignments and chairs for 2017 were also reviewed; felt that committee assignments would remain the same with the changes anticipated in the Tri-county Agreement.
- Update provided on the Tri-county Agreement discussions.

#### Human Service Operations Committee Report

- Laura Scudiere provided an overview of the meeting.
- An excellent presentation was provided by Dr. Tanya Simonis, Dr. Jonathan Snider, and Michelle Jensen on the services provided in the jail. Crisis services and groups have begun in the jail. Forensic counselor has been hired and individuals can transfer into her care if she has available appointment times; Sheriff Parks also indicated he has received nothing but compliments about these three staff. Dr. Snider also indicated he enjoyed working at the jail with a great team.
- Warm Water Works also provided their independent report for a pool renovation and intend to let their voices to be heard at the County Board also.

#### Nursing Home Operations Committee Report

- Committee was asked to balance the nursing home budget; possibly reducing beds by 30% (70 beds). The committee is asking for assistance in identifying which beds would be most appropriate to remove, how to begin the reduction in beds, etc. It was felt that additional expertise was important when considering cutting 1/3 of the nursing home operation.

- The committee directed staff to work with the county to conduct an operational assessment and strategic plan for the nursing home.

#### Quality Committee

- Organizational Quality Dashboard was reviewed.
- **Motion**/second, Weaver/Benson, to accept the Dashboard as presented. Motion carried.

#### Approve Slate of Nominations of NCCSP Board Officers for 2017

- 2017 Slate of Officers was presented:
  - Chair: Jeff Zriny
  - Vice Chair: Jean Burgener
  - Secretary/Treasurer: Bob Weaver
- A call for additional nominations was made. No additional nominations were received.
- **Motion**/second, Miller/Metter, to close nominations. Motion carried.
- **Motion**/second, Metter/Weaver, to accept the 2017 Slate of Officers as presented. Motion carried.

#### Committee Assignments for 2017

- Given that the Tri-county Agreement has not been finalized, it is being recommended to keep the committee structure the same as 2016.
- 2017 Committee and Board proposed meeting dates and times were distributed.
- An email will be sent to committee and board members prior to meetings to verify attendance in an effort to avoid cancelling at the last minute due to lack of quorum.

#### Tri-County Agreement Discussions

- Meetings of the three counties are held Monday mornings from 8-9:30 a.m.
- Marathon County held a special closed meeting with to discuss one area of concern regarding a proposal to add a level of 'retained authority' which would require a body outside of this Board to handle four areas: The hiring/firing and evaluation of the CEO, budget direction and approval, assessment of services, and approval of employee compensation plans. Retained Authority Committee (RAC) would oversee those items rather than this board. This is a major change and is allowable within the state statutes. Marathon County's proposal is to retain all authorities they can. This revised agreement will create a different relationship between the NCHC board and the county board.
- The structure of the NCHC Board has the potential to be different. Each County Board Chair will appoint a minimum of 1 and no more than 3 members from each county (for a total of 9 members). The remaining 5 are at large with no more than 3 from Marathon County.
- This agreement is between the 3 counties; NCHC does not sign the agreement.
- Several questions/concerns were noted:
  - How is the RAC going to assure continuity of leadership when potential is for elected officials to go out of office?
  - What criteria will be used for evaluating so this Board can make decisions?
  - When NCHC was first developed the intent was on community needs and now it is on finances.
  - How do the members of the RAC get chosen, apply? What are their credentials?
  - Many feel the county board members do not have the needed understanding of health care, mental health, geriatrics, etc. of this \$60 million organization.

- Robin Stowe indicated he does not see the RAC doing any ‘heavy lifting’ but will rely on others bringing information to them. At any time RAC could have and can give more expectations and direction to NCHC and not create these levels of authority. There have been 6 meetings on the contract at which Michael has only been asked to participate in the last one, however the expectation is for Michael to be at the table moving forward. Still hopeful the 3 county boards will have an agreement to adopt. If not adopted, Mr. Karger doesn’t know what the plan will be for Marathon County. After 5 years, all 3 counties will have to approve a resolution to continue; if not there will be a one year withdrawal.
- Having a mechanism like the RAC as a conduit works both ways. Lincoln and Langlade Counties indicate they don’t need the RAC but Marathon County insists it is needed.
- A Langlade County representative made the statement that this is no longer about people but about politics – not how it was when the organization got started.

#### CEO Report

- A hard copy of the adopted 2017 budget will be provided to everyone.

#### Discussion and Future Agenda Items for Board Consideration or Committee Assignment

- None were noted.

**Motion**/second, Benson/Weaver, to adjourn the NCCSP Board meeting at 2:05 p.m.

**Note:** The December meeting of the Board will be December 15 in Merrill.

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