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EXECUTIVE-PERSONNEL-FINANCE COMMITTEE

September 28, 2009 – 4:30 p.m.
Hilliard Building, 1st Floor Conference Room
121 E. Maple Street
Mason, Michigan

MINUTES

MEMBERS PRESENT: Ralph Tillotson, Chair; Joe Brehler; Brad Densmore; Debbie DeLeon; Lynn Mason; Earl Poleski; Robert Showers

MEMBERS ABSENT: Jan Bunting; Stan Nieboer

STAFF: Gary VanNorman, Executive Director; Gerrie Roeser, Finance Manager; Mary Kronquist, Treatment Manager; Lori Coe, Executive Secretary

GUESTS: Gary McCullough, McCullough, Vargas & Associates; Roy Vargas, McCullough, Vargas & Associates; John Roy Castillo, Cristo Rey

CALL TO ORDER

Mr. Tillotson called the meeting to order at 4:38 p.m.

APPROVAL OF THE MINUTES OF AUGUST 24, 2009

Mr. Showers moved approval of the minutes of August 24, 2009 as presented. Mr. Poleski supported the motion. The motion carried.

ADDITIONS/DELETIONS TO THE AGENDA

Mr. Poleski asked to add discussion of the executive director's evaluation.

Mr. Showers moved approval of the agenda with the addition. Mr. Poleski supported the motion. The motion carried.

PUBLIC COMMENT

There was no public comment.

Mr. Tillotson began discussion of the executive director's proposal for employment. Mr. Poleski suggested the committee move to closed session.

Mr. Brehler moved the Committee go into closed session. Ms. Mason supported the motion. The motion carried.

The Committee moved into closed session at 4:45 p.m.

The Committee returned from closed session at 5:17 p.m.

NEW BUSINESS

A. Treasurer's Report for August 2009

Community Grant and PA2

- Bills to be approved totaled \$742,461.18
- Total Revenues \$842,746.92
- Total Expenditures \$747,323.29
- Net Income \$95,423.63
- Total Assets & Liabilities \$4,093,016.26
- Net Increase in Cash \$95,732.38

Medicaid

- Bills to be approved totaled \$165,237.20
- Total Revenues \$185,934.31
- Total Expenditures \$171,299.70
- Net Income \$14,634.61
- Total Assets & Liabilities \$293,381.89
- Net Increase in Cash \$12,197.11

PIHP Report

- CEI balance -0-
- LifeWays balance \$(12,390.44)
- Washtenaw balance -0-

Ms. DeLeon moved to recommend to the full Commission approval of the August 2009 Treasurer's Report as presented. Mr. Densmore supported the motion. The motion carried.

B. FY08/09 Budget Amendment

Purpose of the amendment is to incorporate the \$112,087 increase in MDCH funding, increasing the total allocation to \$6,081,103.

Mr. Showers moved the staff recommendation to incorporate the additional \$112,087 in MDCH funding to be used for treatment services delivered and billed which are over existing allocations in the fixed unit rate contracts. Ms. DeLeon supported the motion. The motion carried.

C. Acceptance of McCullough, Vargas Financial Site Review Report.

Ms. Roeser provided a brief overview of the site review findings, noting a follow-up review found significant progress was made.

Mr. Poleski moved to accept the staff recommendation for approval of the site visit report as presented, with a revisit in 90 days to assure compliance. Mr. Showers supported the motion.

Ms. Roeser explained in response to Mr. Poleski's question as to why the Board had not seen these reports previously and now a report is made to the Committee, that the state cited us at the last review for not doing so. Brief discussion ensued.

Vote called on the motion. The motion carried.

D. Purchase of New Vehicle

Mr. VanNorman reported the lease on the Impala expires at the end of October, and the buy-out price would be \$14,537. He stated the alternative is to purchase a new vehicle at zero percent interest for six years, realizing a savings of \$551 per month compared to the current lease payment.

Mr. Showers moved approval to purchase a 2009 Chevrolet Impala after lease termination, at zero percent interest over 72 months, at a cost of \$24,022.65, or \$333.64 per month. Mr. Densmore supported the motion. Discussion ensued.

Vote called on the motion. The motion carried with Mr. Poleski and Ms. Mason voting no.

E. FY09/10 Budgets: Administration and CCC

Proposed budgets reflect the following: (1) full staffing for FY09/10 and restoration of \$64,062 in MDCH funding reduced in the final amendment; (2) no salary increases for staff; (3) purchase of a new vehicle; (4) provider training costs; (5) removal of one-time CareNet costs of \$23,000 which was Mid-South's portion of a data system revision for 12 CAs; (6) a reduction in estimated interest earned of \$92,776; (7) increase in Medicaid of \$51,143; (8) an overall reduction in the budget of \$64,083.

Mr. Showers moved to recommend the Administrative and CCC budgets for FY09/10 to the full Commission for approval. Ms. DeLeon supported the motion. The motion carried.

F. FY09/10 Provider Budgets

Proposed budget reflects continuation funding for most agencies. The increase of \$44,443 in SPF-SIG represents the final year of the grant, and MDCH funding was unchanged at \$5,538,154 from previous year.

Mr. Densmore moved to recommend the provider budgets for FY09/10 to the full Commission for approval. Mr. Showers supported the motion. The motion carried.

OLD BUSINESS

A. NCA Letter

Ms. DeLeon moved to bring the NCA letter off the table. Mr. Copedge supported the motion. The motion carried.

Mr. VanNorman acknowledged receipt of NCA's letter of response with additional information included, which was reviewed. He noted at this time there is no justification to support granting additional dollars based on what has been received so far. He stated a formal letter is being prepared to send NCA saying absent receiving specific information to their situation or a meeting with their Board, executive, and clinical staff, the recommendation is for no increased funding. Mr. Brehler stated Mr. VanNorman will attempt to facilitate a joint meeting.

B. Investment letter to FDIC

Mr. VanNorman stated no reply has been received in answer to our inquiry. Michigan's federal congressional representatives will be contacted to seek their assistance in obtaining an answer.

PUBLIC COMMENT

There was no public comment offered.

ADJOURNMENT

The meeting adjourned at 6:00 p.m.