

## **EXECUTIVE-PERSONNEL-FINANCE COMMITTEE**

**September 27, 2004 - 4:30 p.m.  
LifeWays's Board Room  
1200 N. West Avenue  
Jackson, Michigan**

### **M I N U T E S**

**PRESENT:** Gail Mahoney, Chair; Dan Alonzi; Bob Johnson; Bob Showers; Lisa McCafferty; Maxine Vanlerberg

**ABSENT:** Tom Minter; Ken Ponds; Ralph Tillotson

**STAFF:** Robin Reynolds, Executive Director; Mary Kronquist, Assistant Director; Gerrie Roeser, Finance Manager; Lori Griffin, Executive Secretary

**GUESTS:** Bruce Hindenach, CDRS; Matthew Myers, Ingham County Sheriff's Office; Dorian Davis, Ingham County Sheriff's Office; Donald Wolosuk

#### **CALL TO ORDER**

Chairperson Mahoney called the meeting to order at 5:05 p.m.

#### **APPROVAL OF THE MINUTES OF AUGUST 23, 2004**

**Ms. McCafferty moved approval of the Minutes of August 23, 2004 as presented. Ms. Vanlerberg supported the motion. The motion carried.**

#### **APPROVAL OF THE AGENDA**

Added under Old Business, Item A was Meeting Schedule for October.

**Mr. Showers moved approval of the Agenda as amended. Ms. McCafferty supported the motion. The motion carried.**

#### **PUBLIC COMMENT**

There was no public comment.

#### **NEW BUSINESS**

- A. Treasurer's Report for August 2004  
Community Grant and PA2

Ms. Roeser reported on the Block Grant Bills to be Approved, reflected in general checks 12299 through 12374 and payroll checks 4082 through 4107, which totaled \$812,166.49. She noted the following significant checks written: #12301 to the Lenawee Treasurer for the Juvenile Court Intensive Home Therapy Program representing April through June 2004; and #12318 to the Times-Indicator for public hearing expense.

On the Income Statement, Ms. Roeser reported Total Revenues for the month of \$781,094.23 and \$6,881,449.84 year-to-date, which is a 78.95% receivable. She stated that Ionia County PA2 dollars are still outstanding, and that not reflected in this report is the July and August receivables which were deposited in September. These totals were \$703,693.58 for July and \$389,810.18 for August. This brought the year-to-date receivable up to \$7,974,953.60. Ms. Roeser reported CA expenses for the month of \$76,894.49 and year-to-date of \$812,747.82, which is 89.53% spent. Ms. Roeser stated her belief all funding will be spent by the end of the fiscal year. PA2 Other expenses for the month totaled \$153.55 and year-to-date of \$22,907.83, which is 47.78%. She noted there are several providers who are over budget at this time, and the agency is approximately \$113,000 over produced in treatment. She stated her projection that the overage could be as much as \$150,000 at year end. Ms. Roeser further explained that some drug court funding has been secured from Ingham and Calhoun County to offset the providers who delivered services to drug court clients. She added that excess PA2 will need to be used for these clients. For the State and PA2 Funded subcontracts, monthly expenses totaled \$709,230.64 with year-to-date of \$6,110,808.27, an 82.82% spend down. Other Subcontracts had expenses for the month of \$43,177.65 and \$387,374.05 year-to-date. Total Expenses for August were \$829,456.33 and \$7,333,837.97 year-to-date. Net Income for August was \$(48,362.10) and \$(452,388.13) year-to-date. On the Balance Sheet, Ms. Roeser reported Total Assets and Liabilities & Capital of \$4,096,762.93. She continued with the Statement of Cash Flow, noting the Beginning Balance of \$3,956,179.86, the Ending Balance of \$3,889,808.28, resulting in a Net Decrease in Cash for August of \$(66,371.58).

### **Medicaid**

Ms. Roeser reported the Medicaid Bills to be Approved, reflected in checks 2537 through 2565, and totaled \$177,137.02. There were no significant checks. On the Income Statement, Total Revenues for the month were \$122,754.96 and \$2,274,730.37 year-to-date. She reported Total Expenses for the month of \$179,237.02 and \$1,844,466.78 year-to-date, which resulted in Net Income for the month of \$(56,482.06) and year-to-date of \$430,263.59. Ms. Roeser reported Total Assets and Liabilities & Capital of \$438,113.66. Lastly, on the Statement of Cash Flow, she noted the Beginning Balance of \$583,841.91, the Ending Balance of \$544,153.35, which resulted in a Net Decrease in Cash for the month of \$(39,688.56) and a Net Increase year-to-date of \$202,753.56.

Ms. Roeser reported on the Medicaid PEPM Report, noting CEI has a balance of \$73,241.77; LifeWays balance of \$16,027.69; Venture-Calhoun of \$(18,718.11); Venture-Berrien of zero; and Washtenaw of \$9,449.17. Overall, the Medicaid balance is \$80,000.52. Ms. Roeser reported Venture administration has been contacted regarding their deficit, and noted her confidence the ISF will cover the overage.

**Ms. Vanlerberg moved to recommend to the Commission approval of the Treasurer's Report as presented. Mr. Johnson supported the motion. The motion carried.**

### **B. FY 2003/04 Program Budget Shortfalls**

Ms. Reynolds stated this pertains to treatment providers only. She reported that the treatment composite estimate at this time is for an overage of \$155,145. She explained this has happened due to the Calhoun County Drug Court billing a total of \$92,000 to-date, the Ingham County drug court, and an overall increase in demand for treatment. She indicated that Calhoun County has some drug court dollars, approximately \$15,000, which can be used towards the \$92,000. She added that Ingham has \$20,000. Ms. Reynolds clarified that the drug courts don't

have to give the Commission these dollars, but have agreed to work with us. She added the dollars allocated to the courts are not treatment dollars but are for court administration, drug testing and treatment. Ms. Reynolds also stated that the situation will worsen as more drug courts are established. Ms. Roeser asked for the Committee's input as to what direction to take with regards to close-out. She explained that the overage figure is an approximate amount, and that \$92,000 could be taken from Calhoun's PA2 account off the top. She also reminded members there is a 10% withholding amount in each county' which is set aside for contingencies, so her recommendation is after taking \$92,000 from Calhoun, that the balance be evenly spread among the other counties, for this year only.

Lengthy discussion ensued regarding this issue, with Mr. Alonzi suggesting that all of the counties share in paying a certain amount of the overage, with the providers who were over spent absorbing the rest. She added that the bottom line is the 10% withholding needs to be utilized to meet overages this year. She continued by stating an alternative plan needs to be developed for next year. She noted that the providers are working hard to meet the increased need.

**Mr. Showers moved to recommend to the Commission permission for staff to use \$92,000 of Calhoun County PA2 dollars, and the balance from the other counties PA2 accounts to pay overages. Mr. Alonzi supported the motion. The motion carried with Ms. McCafferty voting no.**

#### C. Administrative Budget

Ms. Reynolds reported the overall increase in the administrative budget is \$35,256. She outlined changes as follows:

- Salaries increased \$29,655 due to staff merit increases of approximately 4% and full staffing patterns.
- Fringe Benefits increased \$3,743 commensurate with salaries
- Supplies decreased \$1,900 in Printing
- Other Expenses increased \$3,759. Advertising decreased, Liability increased, Legal Expenses decreased, Director's Insurance increased, the CareNet contract increased 4%, Office Rent increased, Equipment Maintenance increased, and Advisory Travel decreased.
- State Funding increased \$3,575 for Methamphetamine administration
- Local Funding increased \$18,891. Interest Earned increased \$4,017, MASACA support increased \$185 and the local fund balance used increased \$14,779.
- Fees and Collections increased \$12,700. Medicaid increased \$13,400 which is 10% of the expected PEP, and FAODP Exam fees decreased \$700.

**Ms. Vanlerberg moved to recommend to the Commission approval of the Administrative Budget for FY 2004/2005 as presented. Mr. Johnson supported the motion. The motion carried.**

#### D. Program Budgets

Ms. Reynolds stated there is an increase in demand for some services, thus some providers were given additional PA2 dollars. She also noted that ABW is a full risk contract and has also seen increased demand. She reported most of the providers were funded at 03/04 continuation levels. Ms. Reynolds also stated that funding for prevention providers is unallocated at this time. She explained this is due to continued review of provider's implementation plans. She added these budgets will be determined by the end of the month based upon the implementation plans. Overall, Ms. Reynolds stated PA2 increased \$3,229; BSAS/MDCH increased \$24,951; ABW/MDCH increased \$10,374; and Medicaid was unchanged. Treatment changes are as follows:

- **Arbor Circle** increased \$10,586; will change to a FURR contract
- **Foot Hospital** had a total decrease of \$25,353 as follows:
  - **Bridgeway Center-Jackson** increased \$10,024 for co-occurring services; ABW decreased \$4,845
  - **Bridgeway Center-Hillsdale** MDCH increased \$3,600; ABW decreased \$3,960; Women's decreased \$1,000.
  - **Washington Way OP/IOP** MDCH increased \$19,800; ABW decreased \$4,895.
  - **WW Residential** MDCH decreased \$22,774.
  - **WW Detox** MDCH decreased \$21,303.
- **Central Diagnostic & Referral Services** had an overall decrease of \$2,886; increase of \$838 and PA2 decrease of \$3,724.
- **Psychological Consultants** had an overall increase of \$5,888 as follows:
  - **Albion IOP** ABW decreased \$1,559.
  - **Battle Creek OP/IOP** MDCH decreased \$3,724; Calhoun Co. PA2 increased \$3,724; ABW increased \$7,447.
  - **Women's** did not change.
- **Child & Family Services** did not change
- **Cristo Rey** had an overall decrease of \$99,825 as follows:
  - **OP Treatment** ABW increased \$2,220
  - **Women's** decreased \$6,874 due to funding moved to Clinton Co. Counseling.
  - **Prevention** put into Ingham Co. unallocated pool
- **CEI/CMHB** had an overall increase of \$28,870 as follows:
  - **CATS Program** MDCH decreased \$20,802
  - **Clinton Co. Counseling** ABW decreased \$696; Women's increased \$3,000
  - **G-14 OP** ABW increased \$96
  - **G-14 Methadone** ABW increased \$3,059
  - **House of Commons Residential** PA2 decreased \$8,595
  - **House of Commons Detox** MDCH increased \$50,000. This is a new service
- **Eaton Substance Abuse Program** Overall decrease of \$5,808. Women's MDCH decreased \$4,391; ABW decreased \$1,471
- **Family Service & Children's Aid** Overall increase of \$32,557 as follows:
  - **Lenawee CDR** no change
  - **Born Free OP/IOP** ABW decreased \$3,017
  - **Born Free Women's** MDCH increased \$3,997; PA2 increased \$31,577
- **Gerontology Network** MDCH decreased \$19,830. Program will no longer be funded.
- **Human Aid** Overall increase of \$440 as follows:
  - **OP/IOP** PA2 decrease of \$3,478; ABW increased \$1,478
  - **Adolescent IOP** PA2 increased \$2,440.
- **Ingham County Health Department** Overall decrease of \$25,640. MDCH decreased \$10,640; PA2 decreased \$15,000. No longer funded
- **Ionia CMH** Overall increase of \$16,362 as follows:
  - **OP** ABW increased \$968
  - **Case Management** MDCH increased \$15,394 for full year programming
- **Kairos** Overall increase of \$15,255. MDCH increase of \$35,000; refund from state applied last year resulted in a decrease of \$6,894; PA2 decrease of \$12,851.
- **Lansing Area AIDS Network** MDCH decreased \$23,900 due to cut in ODCP funding for HIV/EIP
- **Life Guidance Services** Overall increase of \$120,008 as follows:
  - **OP Treatment** did not change
  - **Men's Residential** decreased \$1,000
- **McCullough, Vargas** Overall increase of \$3,226. ABW increased \$3,226.
- **Methamphetamine Project** MDCH increased \$67,925 which is carry forward of \$52,975 from 03/04 FY and \$67,925 additional funding.
- **NCA/LRA** Overall decrease of \$7,220 as follows:

- **OP/IOP** ABW decreased \$6,494
- **Glass House** MDCH decreased \$433
- **Holden House** MDCH decreased \$293
- **Homeless Treatment** did not change
- **Newaygo CMH** did not change
- **Our Hope** did not change
- **Pathfinder Resources** did not change
- **Sage Center** Overall decrease of \$7,075 as follows:
  - **Women's** MDCH decreased \$2,432
  - **OP/IOP** MDCH decreased \$5,825; ABW increased \$1,357
  - **Herrick** MDCH decreased \$175; ABW increased \$200
- **Salvation Army Turning Point** Overall decrease of \$25,000 from the Detox program which will go to Ingham Co. detox program
- **SPGB Services** Overall increase of \$4,632 as follows:
  - **Battle Creek OP/IOP** ABW increased \$4,632
  - **Albion** ABW increased \$726
- **Victory Clinic** Overall increase of \$3,163. MDCH decreased \$9,803; ABW increased \$12,966.

Ms. Reynolds stated there is a total of \$1,866,430 allocated for prevention services in the region. She added that until the actual allocations are finalized, these providers will be given an advance of 1/12th. She also reported the Program Development Committee approved the FY 2004/2005 Service Plan, and that Life Guidance Service will be placed on a three month contract. If after that period they are still under performing, the contract will be put out for bid.

Ms. Reynolds also reported Kairos will be funded with MDCH dollars, Gerontology Network will not be funded, and FSCA-Born Free will receive more PA2 dollars due to the transitional home in Jackson.

#### Specialty Programs w/PA2 Funding

- **FIA Ingham County** Ingham PA2 increased \$19,430, for total allocation of \$40,000
- **LifeWays's** \$30,000 Jackson PA2 for dual detox
- **CDRS/MJC** \$23,901 of PA2 from Ingham, Eaton and Clinton counties, continuation from last year

**Mr. Showers moved to recommend to the Commission approval of the program budgets for FY 2004/05 as presented. Ms. Vanlerberg supported the motion.**

Ms. McCafferty asked for clarification on funding of prevention programs. Ms. Reynolds stated it is the intention to fund the current prevention providers, with the exception of Gerontology Network.

Mr. Johnson stated his continuing concern with costs for the CDR and asked if there had been any consideration of bidding it out for a lower cost. He also asked that its allocation be removed from the budget at this time. Ms. Reynolds replied that there has been no thought of bidding it out, and that it could not be removed from the budget because if this was done, there would be no services available on October 1<sup>st</sup>. She added there is no other agency to provide gate keeping services. In response to Mr. Johnson's question on how CDRS' budget figure is determined, Ms. Reynolds stated it is roughly 10% of the total budget. She added this is in line with what the other CA's pay for similar services.

**Vote called on the motion. The motion carried with Mr. Johnson voting no.**

Ms. Mahoney recommended that due to the late hour and the need to start the full Commission meeting on time, that the proposals from the Ingham and Clinton County DARE programs be

reviewed by the full Commission at the top of the Agenda. She added that both were recommended, with reservation, from the Program Development Committee.

**Ms. McCafferty recommended the proposals from the Ingham and Clinton County DARE programs be considered at the beginning of the full Commission Meeting. Mr. Showers supported the motion. The motion carried.**

#### **OLD BUSINESS**

Ms. Mahoney stated there will be no meetings in October.

#### **PUBLIC COMMENT**

There was no public comment.

#### **ADJOURNMENT**

The meeting adjourned at 6:03 p.m.