

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD OF WOOD
COUNTY**

MAY FINANCE & ADMINISTRATION COMMITTEE MEETING MINUTES

May 20, 2022

COMMITTEE MEMBERS PRESENT: Corey Speweik, Frank McLaughlin, Matthew Battiato, Dan Lambert

COMMITTEE MEMBERS ABSENT: Karen Baron

ADAMHS BOARD STAFF PRESENT: Deanna Chase, Julie Launstein, Kathryn Shackleton

GUEST: Sydney Falk

CALL TO ORDER:

Corey Speweik called the meeting to order at 11:00 AM. Kathryn called the role, and a quorum was present.

NEW BUSINESS:

March Finance & Administration Committee Minutes: Having reviewed the minutes, Corey asked if there were any additions or corrections. Dan motioned to approve March minutes; Matt seconded. All in favor, minutes approved.

Schedule of Bills (Feb-Apr): Corey opened the floor for comments or questions. Frank asked if there was anything unusual or needs special note. Julie stated this is pretty much routine. Matt motioned recommend approval of the schedule of bills to the full Board, Frank seconded. All in favor. Finance Committee recommends approval of February through April Schedule of Bills to the full Board.

Financial Reports (Feb-Apr): Corey opened the floor for comments or questions. Frank see's that we seem to have received \$1 million more in revenue than the budget predicted. Julie replied that we have received all of it for the year, so we don't expect to see any more revenue from the levy. Corey commented that everything came in over budget, and Julie replied that it is a timing thing, as money is pushed out quarterly. Dan notes that we are short almost \$1 million in SOR, and Julie stated she is due to draw down funds for SOR but has to double check invoices for allowable expenses. Matt asked that depending on billing, could we have excess? Julie answered we won't get the money if they don't bill. Matt asked about potentially carrying over the funds. Julie answered we will carry over through Sept 30th, but she tries to account for that in fiscal year budget. Matt clarified that on June 30th, after reconciliation, if we have surplus, we can use that through Sept 30th. Julie said yes. Dan asked if they can put prepaid expenses on their books? Julie-no because it is cost reimbursement and grant money. If they don't spend it we have to pay it back, and there are issues with drawing money down we don't spend. Frank asked if this was a good time to talk about SOR funding continuing? Deanna informed that it is continuing for 2, 3, or 4 years. We do have carryover funds this year and are hoping to do vending machines for naloxone (Narcan). Persons would go online to do a training, then get a code for the naloxone. We are hoping to put these in 5 locations. We would have a contract with a company, but we would have to pay for the naloxone. Dan motioned to recommend approval of the Financial Reports to the full Board, Matt seconded. All in favor. Finance Committee recommends approval of February through April Financial Reports to the full Board.

Table of Organization: Modified to include the new position. No action from committee, will be on agenda for full Board approval.

Long Range Projections/ Reserve Discussion/ System of Care Budget: Julie provided a handout to the committee. It contains 2 versions, actuals through June 30th, 2021, projecting where we end 2022, and where we will be in the future. 1 version is if we fund everything currently on the SOC as requested and continued this funding level. We can use some of our fund balance, we expect to use about a million for Unison project. We still have a healthy fund balance currently, that we are fixing (working to spend down). We need to figure out where we are comfortable, number-wise, and give Julie and Deanna a direction to move that we are comfortable with. Julie then provided a draft SOC showing our current fund balance. Looking at the top line, balance listed is attributable to our budget, based on past decisions. Last fall, we set aside money for special projects \$2.5 million. Used to these funds to fund the CSU, and set aside \$900,000 for 5-years for operations. That leaves us a remaining \$1million in special projects that Julie is proposing we do not touch, and 3 months of funds in reserves which is \$3.5 million. Julie anticipates our budget ending June 30th at \$7 million. This does not touch special project fund or reserves. She is anticipating \$12.2 million in revenue for FY23, which is conservative, \$8.6 million of this is in levy and does not include pipeline, which would take us over \$9 million (with pipeline funds). Julie worked with the Auditor to determine collection amount and thinks if anything it will be more not less. Comparison report will be easier to understand expenses, which shows what was requested, where we think they will end this year, and what we think is reasonable. We do allow agencies to move funds between line items. Laura has been working on outcomes, so we will be in a much better place by February 2023 that reflects what is happening, what programs may not be 'worth' the funding. Recovery housing, without SOR, would not be continuing. We are recommending women's house not continue but plan to continue funding the men's house. Matt asked about women's residential for Harbor, Julie answered this is direct flow through from the state. CRC-RU increased ask, but therapy will be provided for the first time, anticipating \$100,000 income (bring ours down). Asking board to consider that a few years ago we asked them to increase the ask, but we aren't there anymore. Corey stated the Board would consider genuine need but that needs to be substantiated by something. CRC is working towards a 10-day intentional shut down for renovations. Julie stated a lot of the increase is salary related. Dan reminded everyone that general inflation is 8.3%. Dan would continue to advocate for an aggressive fund balance, since it will take time to see the fall out. Corey commented that the staff has done good work with the draft. Corey has concerns regarding ARC program and would like to see Outcomes for it. Frank suggested we may want to look at having a presentation by ARC. There have been significant improvements in the things we have seen since Madison took over. It is 100% SOR funded. Unison's projects, we still need to meet with them for clarification. Deanna states the Criminal Justice program is great, but we need to bring it down from \$250,000.

What Julie and Deanna need is to determine where the committee is comfortable, spending level. Julie would like expenditure over revenue to come down still. Looking at the big draft, 9% increase from FY22 funded. This is not a sustainable increase every year. Frank, looking at long range projections, is having trouble being comfortable with these numbers, and is hoping our expenses go down. We still may have hard decisions to make. Dan states this is a 12% increase from FY22, and Corey is not uncomfortable with these numbers. He would like to see it go down a little more. Overlapping programs in Unison to get this number down.

Dan wants it in the minutes that he is not comfortable with \$13.9 million in expenditures. If we can't approve this level of funding for 5 years, we can't approve for 1. He would like to see something that is more a percentage of revenue, for example 105%. Matt reminded everyone that it's looked at every year, if we can do it this year based on what staff say, then he listens to that and respects that. Then next year, we ask if start-ups are more sustainable. This is not a commitment for the next 5 years. Start looking at things in fall. Tell provider where we expect budget to come in for allocation packet. Designate some of this as special projects. Tell providers, don't expect this next year.

If going to be revamped, we will need another meeting. If we are putting funds in special projects, how much? Get down to, in future year, an agreeable benchmark, to guide ourselves, to say if we are in range or out of range. If expenditure is moved to 13.5, what does that do to the curve? Some programs that were SOR or moving out of SOR, which is part of the problem. Frank-as a board, we are lucky to look at these expenses and say we can pay for these services.

ADJOURNMENT: Dan motioned to adjourn, Matt seconded. Adjourned at 12:21 PM.

Approved by: Matthew Battato 8-15-2022
Matthew Battato, Treasurer, ADAMHS Board of Wood County Date

Submitted by: Kathryn Shackleton, Executive Assistant