



THE HUMAN SERVICE CENTER

(HUMAN SERVICES BOARD 51.42/51.437)

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MINUTES of the HUMAN SERVICES BOARD

Regular Board Meeting Special Board Meeting Committee Meeting

Type of Committee: Finance Committee

Date and Time of Meeting: Monday, July 13, 2020 at 3:00 PM

Person Taking Minutes: Jessica Kaul

**Minutes reflect the recorder's notations of actions taken and are subject to approval of the appropriate committee and/or Board.*

Members Present: Cheri Collins, Bill Korrer, Ron Kressin, Maggie Peterson, Bob Thome, Jr., Alan VanRaalte

Members Excused: Cindy Gretzinger

Members Absent: None

Staff Present: Keith Haselton, Angela Paddock, Tamara Feest, Jessica Kaul

Others Present: None

I. MEETING CONVENED

The meeting convened at 3:00 P.M. by Chairman Korrer and it was noted that the posting of the agenda and media notification had taken place in accordance with the Wisconsin Open Meeting Law.

II. APPROVE PREVIOUS MEETING MINUTES

Motion by VanRaalte, second by Kressin to:

APPROVE THE MINUTES AS PRESENTED FROM MARCH 12, 2020.

All ayes, motion carried.

III. ELECTION OF VICE CHAIR: ACTION ITEM

Floor was opened for Vice Chair nominations. Motion by VanRaalte to:

NOMINATE MAGGIE PETERSON FOR FINANCE COMMITTEE VICE CHAIR.

There being no further nominations, motion by VanRaalte, second by Kressin to:

CLOSE FLOOR TO VICE CHAIR NOMINATIONS.

All ayes, motion carried. Maggie Peterson elected as Finance Committee Vice Chair.

IV. ELECTION OF SECRETARY: ACTION ITEM

Floor was opened for Secretary nominations. Motion by Kressin to:
NOMINATE ALAN VANRAALTE FOR FINANCE COMMITTEE VICE CHAIR.

There being no further nominations, motion by Korrer to:

CLOSE FLOOR TO VICE CHAIR NOMINATIONS.

All ayes, motion carried. Alan VanRaalte elected as Finance Committee Secretary.

V. KOINONIA WINDOW REPLACEMENT: ACTION ITEM

Paddock presented the committee quotes for window replacement on the residential portion of the Koinonia building. The committee reviewed the quotes and discussed the options. It was relayed that the Building & Grounds Committee had recommended the Shiloh Construction quote for aluminum clad windows be forwarded to Finance for review.

Motion by VanRaalte, second by Kressin to:

APPROVE AND FORWARD TO BOARD THE ALUMINUM CLAD WINDOW REPLACEMENT QUOTE FROM SHILOH CONSTRUCTION IN THE AMOUNT OF \$47,423.

All ayes, motion carried.

VI. REVIEW AND CONSIDERATION OF INVOICES OF THE HUMAN SERVICE CENTER: ACTION ITEM

Haselton provided the committee with a check run summary and a detailed report of checks from 6/12/20 to 7/8/20. The committee reviewed the expenditures.

Motion by VanRaalte, second by Kressin to:

APPROVE ALL INVOICES OF THE HUMAN SERVICE CENTER.

All ayes, motion carried.

VII. 2019 FINANCIAL UPDATE AND AUDIT EXIT CONFERENCE

Haselton presented the committee with a handout reviewing 2019 unaudited financials. He noted that the audit is taking place virtually this year due to COVID-19 and we have not yet received the final year-end report. Haselton reported that we ended 2019 with a \$334,752 surplus. He explained to the committee the reasons behind the surplus, including unfilled vacant positions, a decrease in hospitalizations, and the receipt of grant funding. He noted that program outcomes came in very close to projections.

Korrer provided addition information to the committee regarding the cost of involuntary hospitalizations and the challenges surrounding anticipating the costs. The committee reviewed the unaudited 2019 finances and discussed.

Maggie Peterson joined the meeting at 3:26 PM.

VIII. 2019 SUPLUS PLAN

a. BOARD RESTRICTED FUNDS: ACTION ITEMS

i. KOINONIA Surplus \$143,065

Haselton reported to the committee about a \$143,065 Koinonia surplus from rent paid. His recommendation for the surplus funds is that they go into the general building fund to be used for both properties. The committee discussed the funds and their usage.

Motion by VanRaalte, second by Peterson to:

MOVE THE \$143,065 FROM KOINONIA SURPLUS TO THE BUILDING FUND #2913 AS OF DECEMBER 31st, 2019.

All ayes, motion carried.

ii. Technology Upgrades

Haselton reported to the committee the ongoing need to upgrade technology. A sizeable upgrade has recently been made but in an effort to be more proactive, he recommended to the committee that a portion of the 2019 surplus be restricted and put into a general technology upgrade fund. The committee discussed the agency IT needs, and it was noted that the agency should create a plan for IT upgrades. Motion by Peterson, second by Collins to:

DESIGNATE \$150,000 FROM 2019 SURPLUS TO BE PUT INTO A GENERAL INFORMATION TECHNOLOGY FUND.

All ayes, motion carried.

IX. 2020 FINANCIAL UPDATE

Haselton provided an overview of 2020 financials year-to-date and provided the committee a handout. He noted that the agency has seen savings due to a sharp decrease in travel expenditures due to the COVID-19 pandemic. There has been a slight increase in expenditures for agency cell phones for remote staff in addition to cleaning supplies.

He noted that Medicaid moved quickly to modify approvals so that we are able to be reimbursed for services that are being done “virtually” due to the pandemic.

Haselton reported that there is an agency surplus through May due largely to a decrease in involuntary hospitalizations, which are difficult to project. He noted that programs are performing as expected so far.

X. 2021 BUDGET PREPARATION

a. COST OF LIVING ADJUSTMENT: ACTION ITEM

Feest reported to the committee that 2021 budgeting process is underway, including the system costs Haselton provided the committee a handout that illustrated the recent cost of living adjustments that have been made by the agency and noted that the agency’s increases have lagged 3.6% behind increases in the Consumer Price Index since 2016, when the new wage scale was implemented. Feest requested that the committee

approve a 3.5% cost of living adjustment for the 2021 budget. She explained how the wage step increases are structured and how the increases are tied to performance indicators. She noted the savings that are being realized from the change in health insurance carriers and that she would like to pass some of those savings on to staff.

The committee discussed the cost of the 3.5% increase and discussed whether hiring and retention might be helped by a cost of living increase. Staff discussed with the committee our current retention and hiring strategies in addition to the cost of hiring and training new staff. It was noted that a cost of living increase could feasibly lead to decreased involuntary hospitalization costs by helping to ensure that the agency is fully staffed by well-qualified and well-trained individuals. Motion by Peterson, second by Kressin to:

APPROVE AND FORWARD TO BOARD A 3.5% COST OF LIVING INCREASE FOR THE 2021 BUDGET.

All ayes, motion carried.

XI. 2020 RATE APPROVAL: ACTION ITEM

Haselton reported to the committee that a new requirement from DHS states the the Board needs to approve our service rates on a yearly basis. He provided a handout to the committee that notes our rates for each service. The committee reviewed the handout. Motion by VanRaalte, second by Kressin to:

APPROVE 2020 SERVICE RATES AS PRESENTED.

All aye, motion carried.

XII. 2021 RATE CALCULATION METHODOLGY: ACTION ITEM

Haselton provided the committee with a worksheet illustrating how we determine our current rates for services in addition to three other methods most commonly used to calculate rates. He relayed how our agency considers billable time, non-billable time, and direct support time when calculating our rates.

Haselton explained the three approaches and requested the committee's preference. The committee discussed. Feest noted the importance of billing the true cost of service as opposed to billing at the Medicaid reimbursement rates. It was noted that we need to have a standardized method in place to calculate rates across all programs. Our current calculation is *cost plus markup divided by billable hours*, reflected as "Approach 1" on the handout. Motion by Kressin, second by Peterson to:

CONTINUE TO USE OUR CURRENT RATE SETTING METHODOLGY AS PRESENTED WHEN CALCULATING 2021 SERVICE RATES.

All ayes, motion carried.

XIII. NEXT MEETING DATE

August 13th, 2020 at 4:30 PM.

XIV. ADJOURNMENT

There being no further business, motion by Korrer to:

ADJOURN THE MEETING.

Meeting adjourned at 4:50 P.M.

Respectfully submitted,

Jessica Kaul
Administrative Assistant

APPROVED