

DISTRICT HEALTH DEPARTMENT NO. 2
BOARD OF HEALTH MEETING
Alcona County Board of Commissioners Board Room
April 26, 2010 9:00 a.m.

ROLL CALL OF BOARD MEMBERS: Mike Hunt, John Moehring, Patricia Schmidt, Beverly Scott, Joe Stone (absent), William Thompson, Kathleen Vichunas, John West

STAFF PRESENT: Debra Baumann, Public Health Director; Lynnette Benjamin, Public Health Officer; Debra Pelton, Finance Director; Doug Getty, Environmental Health Director; Dr. Russell Bush, Medical Director; Marilyn Pearson, Judy Harshman, Connie Stasiak, Betty Mier, Cori Upper, Bonnie Klann

PUBLIC PRESENT: Ronald Skiba, VFW, Harrisville Bldg. Lessee

The meeting was called to order by John Moehring at 9:00 a.m.

Adoption of Agenda

Roll Call: All Ayes

Motion Passed

Open to Public: Bonnie Klann, DHD#2 Union President, realizes there will be a lot of difficult issues today and asked the Board if issues could be talked about at the time they are brought up instead of waiting until later.

Betty Mier, Billing Clerk, expressed concern with managements decisions to maintain staff past funding for the rational/ramifications of lay offs.

Cori Upper, Health Education Coordinator, pointed out that when programs/positions are being considered for elimination, that there may be no fiscal benefit and would only be a lack of services to our community.

Consent Agenda

Mike Hunt noticed the agenda was different. Lynnette Benjamin, Public Health Officer explained the bill review would be gone over during the Financial Report. Debra Pelton, Finance Director, also said there was correspondence from the State auditor which will be gone over during the financial presentation. Ms. Pelton said this was a new format she would try this month to see if it worked a little better. Ms. Benjamin also noted there were no committee meetings for this month, all topics are under "Old Business" and discussed during full Board at last meeting.

Motion made by Mike Hunt and seconded by William Thompson to approve Consent Agenda.

Roll Call: All Ayes

Motion Passed

Minutes

John Moehring, Chairman, asked if there were any corrections or comments in regards to the minutes. Beverly Scott said a correction needed to be made under Finance Director Benefits, Page 5. Ms. Scott noted that there needs to be a cost of the contract for the Finance Director which includes what it is costing the Board of Health, benefit costs and the dollar impact and thinks the auditor should come in to discuss. Ms. Benjamin would see if the auditor can come to the meeting in May.

Motion made by Trish Schmidt and seconded by John West to table the minutes from the March 22, 2010 Board of Health Meeting until next month.

Roll Call: William Thompson: Yes, Kathleen Vichunas: Yes, Trish Schmidt: Yes, John Moehring: Yes, Beverly Scott: Yes, John West: Yes, Mike Hunt: No

Motion Passed

Public Health Officer Opening Remarks: Ms. Benjamin read a letter from a client thanking the Home Health Staff for doing a great job.

Ms. Benjamin then went on to discuss the financial crisis at the Health Department. She noted that she had communicated to all the commissioners earlier in regards to this subject. Between now and the end of the fiscal year DHD2 is expected to be \$120,000 in the red; \$300,000 for the year 2010-2011. There is a good possibility payroll will not be met in May. Ms. Benjamin gave the board a couple of ideas of a possible short term fix. 1) Get the quarterly county appropriations early, 2) Mandatory layoff the week of May 10th. Letters have already gone out to employees, but they can be rescinded if the Board does not approve of this action. To help with the May 7th payroll, managers will be laid off the week of April 26th. DHD2 held \$23,000 in bills last month and would like a motion for a one (1) week layoff approved by the Board to ensure the ability to meet both payroll and payables obligations.

Mr. Hunt asked how many employees would be affected by this layoff. Ms. Benjamin replied that Home Care will continue working. With the manager's layoff, it will save about \$7,000 and the savings for the rest of the employees would be \$40,000 - \$50,000. Mr. Hunt asked since this was a one (1) week layoff if staff were eligible for unemployment compensation and Ms. Benjamin replied yes they are. Mr. West noted that he was having a problem with the manager's being laid off one week and the employees the next and shutting down the Health Department. He thinks DHD2 should spread the layoffs over a two (2) week period with shutting down maybe a half day. Ms. Scott brought up that there was no cash in the fund balance – no savings account. Ms. Benjamin noted that with a \$300,000 shortfall for 2010 – 2011, DHD2 will not only have to layoff but have to reduce the work week also. She also said there should be money put

aside for emergencies. Ms. Benjamin added that DHD2 has to do some deep restructuring and hopes to get at least \$100,000 on the side for savings. Ms. Benjamin went on to say that the balance as of April 15, 2010 was \$177,669 with a deposit of \$86,882 on April 19, 2010 which left a balance of \$264,552 and a \$98,000 on April 23, 2010. It brought the balance to \$166,552 on April 23, 2010 with \$98,000 in bills not paid. Ms. Pelton informed the Board she took a quick look at the bills and as of today, there was about \$98,000 in bills waiting to be paid. That amount does not include bills brought to the meeting today. Ms. Schmidt feels there needs to be a layoff to meet payroll and asked if there was any money to avoid a layoff. Ms. Benjamin replied no. Mr. West said we need to deal with the problem and wants to know why we pay bills before they are approved by the Board. Ms. Scott said that was the problem, bills were getting paid after the fact. Mr. Hunt stated that there will have to be layoffs to meet payroll. Ms. Scott asked the question if this was something new or has it been coming on for a while. She feels we should have made cuts long ago, but the Board was led to believe that DHD2 had a savings account. Ms. Benjamin said the Union will be voting on May 4th on a reduced work week. If they vote not to reduce the work week, DHD2 will be having two (2) more one (1) week layoffs. Ms. Pelton explained how DHD2 pays the bills: She ran through the procedure so the Board of Health members would have a better understanding. Every week there is a deposit. Our deposits will now be on Monday. Every week there is some sort of expenditure, one week the expenditures (payable) are paid and the next week payroll is paid. So our payroll is processed every two (2) weeks. On the off week we are paying our bills. Every week there is a deposit. You can't say that the deposit this week is \$55,000 and the next week is going to be \$55,000. There are a lot of variables. Once a month we get our CPBC money and this usually in the second week of the month. When we have limited cash, we have to watch what is coming in what's going out, always keeping in mind that we want to keep enough money to make payroll. So that is why we have held some bills. If we tell you we are holding bills, it is not to be interrupted as what you see on the table for board review. We don't tell you we are holding bills and then turn around and pay them until the next cycle of payable, if there are enough funds. I think you are all aware you are approving bills after they are paid. I think a lot of you agree that it is not the best interest of this organization. There are a lot or reasons why we stopped approving bills prior to them being paid. One was cost to the agency, two was even when you try to minimize the cost it fell on two Ogemaw County commissioners, who at the time said it was inappropriate for them to be responsible for approving bills for the full Board. There were other issues with that. Ms. Scott noted there was no cost to the agency when Ogemaw County reviewed bills, they did not charge the department. Ms. Pelton replied no, but if we had other county commissioners come from Harrisville or Tawas, there was a cost factor. Nobody really expected anybody to come from Tawas or Harrisville or Oscoda County without being reimbursed mileage and that is why Ogemaw County said they would do it. They were close, it would minimize the cost. So what we are currently looking at is having an anticipated \$55,000 deposit, bringing our cash to \$221,000. If we were to pay all of our bills which were estimated to be \$90,000 we would have a balance of \$131,000. The next thing we need to do is make our payroll which one payroll is generally higher than another because of paying our tax bill so we usually see one about \$90,000 on one payroll and about \$122,000 on the next payroll. So this payroll that is coming up would be out larger payroll at a \$122,000, a ballpark figure. That only leaves \$11,000 left. That means we don't get to pay any bills the following week, you hope our CPBC comes in at \$115,000 so you can make our next payroll and

then you have travel paid to staff by the fifteenth (15th) of the month. So whatever you do today, will be here again in a month and we'll be having the same conversation. We will be looking at our cash to make sure we can make our payroll, pay our bills, and pay our travel. We are not going to recover this summer the way we recovered in past summers. You don't have any cash reserve, and I am not talking about a savings account, I am talking about money in the bank that we can draw from. When you look at those graphs, I provide every month, it tells you what our cash balance was at the beginning of the month you can see every month it gets smaller and smaller but compared to previous years. The Board is correct, this problem did not happen overnight. We have been living beyond our means. Looking at those cash flow graphs of revenue and expenditures you'll see your revenue is smaller than your expenditures. Ms. Scott noted the fact that this crisis has never been dealt with and managers should be doing something about it. There can be cuts. Ms. Benjamin said she was dealing with the immediacy of short term problems such as the payroll and paying bills. Ms. Schmidt said she would like to request from management a report on cost cutting. Long term needs to be dealt with. Mr. West went on to talk about the managers and their leave days they receive for working overtime and said that costs a lot of money. He criticized the making of the coordinators positions and then found out the costs later, which was about \$4,000 - \$11,000. He feels these positions should be done away with. There are some coordinators that no one is working under. He feels money is being wasted. Two (2) positions were lost but the employees are working Grade 2 jobs and still getting Grade 5 pay. Ms. Benjamin said she and Ms. Pelton are picking apart programs and at deeper cuts, but haven't sat down to see how this can be done. Mr. Hunt said to watch what you cut so it doesn't hurt the public and was wondering how much would it cost to break the lease at the West Branch Office? Ms. Benjamin replied she will be meeting with the City Manager. Mr. Hunt replied it was just one example and there has to be other ways to cut costs without cutting services. Ms. Scott said she met with Mr. West and Ms. Benjamin at the County Building regarding cutting costs. She said Mr. West presented eleven (11) different options and believe this is something that could be looked at. Ms. Benjamin felt that measures were taken to address reducing expenditures on top of the additional administrative projects within the last year. Those included: union contract (saved \$58K in health insurance), voluntary layoffs, hiring a new Medical Director to get EPSTD up and running, laid off sanitarian due to septic and well permits down, received a grant to support our new free website, a successful accreditation and an H1N1 campaign completed. Mr. West feels the Board should meet in two (2) weeks to see what type of ideas management has. Mr. Hunt agreed and said we can't keep doing this month to month.

Finance: Ms Pelton spoke in regards to bill review. She went over the auditor's recommendation for the Board doing checks and balances.

Medical Directors Remarks: Dr. Russell Bush, informed the Board that he and Deb Baumann have been working on EPSTD to get it up and running. He feels DHD2 might need some marketing to let the public know that it is available.

Audit Correspondence: Ms. Pelton went over the auditor's e-mail that was sent to her and that everything was addressed and hoped some items will be clarified at the meeting today.

Motion made by Trish Schmidt and seconded by Bill Thompson to approve the one week layoff of managers the week of April 26, 2010 and employees starting May 10, 2010.

Roll Call: William Thompson: Yes, Kathleen Vichuñas: Yes, Trish Schmidt: Yes, John Moehring: Yes, Beverly Scott: Yes, John West: No, Mike Hunt: Yes

Motion Passed

Motion made by Mike Hunt and seconded by Beverly Scott to hold a Special Board Meeting on May 12, 2010 and to have the auditor attend.

Roll Call: All Ayes

Motion Passed

Motion made by Trish Schmidt and seconded by Mike Hunt to approve the expenditures as presented.

Roll Call: William Thompson: Yes, Kathleen Vichunas: Yes, Trish Schmidt: Yes, John Moehring: Yes, Beverly Scott: Yes, John West: Yes, Mike Hunt: Yes

Motion Passed

Old Business

Home Care Reimbursement Policy: Ms. Benjamin informed the Board this was a new policy and gave an overview of it.

Motion made by Mike Hunt and seconded by Beverly Scott to adopt the Home Care Reimbursement Policy.

Roll Call: William Thompson: Yes, Kathleen Vichunas: Yes, Trish Schmidt: Yes, John Moehring: Yes, Beverly Scott: Yes, John West: Yes, Mike Hunt: Yes

Motion Passed

Finance Director Benefits: Ms. Scott felt this subject was part of the minutes and should be tabled until the next Board meeting in May.

Motion made by Beverly Scott and seconded by Trish Schmidt to table the Finance Directors Benefits until the Board Meeting in May.

Roll Call: William Thompson: Yes, Kathleen Vichunas: Yes, Trish Schmidt: Yes, John Moehring: Yes, Beverly Scott: Yes, John West: Yes, Mike Hunt: Yes

Motion Passed

New Business

Food Services Enforcement Procedure Revised: Ms. Benjamin gave an overview of the enforcement procedure for Smoke Free Air and Manager Certifications.

Employees Request to Donate Time to Staff Member on FMLA: Ms. Benjamin gave an overview of the request which has an employee out on FMLA due to pregnancy complications and the employees are requesting to donate some of their leave time to her since she will be using up all her time before she is able to come back to work..

Motion made by Mike Hunt and seconded by Trish Schmidt to grant the Annual Leave Days at the discretion of the donor, but is limited to a maximum of five (5) weeks at recipient's rate of pay.

Roll Call: William Thompson: No, Kathleen Vichunas: Yes, Trish Schmidt: Yes, John Moehring: Yes, Beverly Scott: Yes, John West: Yes, Mike Hunt: Yes

Motion Passed

Commissioners Comments: Mr. Hunt asked if the Finance Director has met with the County Treasurer. Ms. Pelton said yes, it was done. She informed the Board that the deposits have already been moved to Monday. In trying to see both sides, she gave the Board a little bit of a history. Ms. Pelton noted: We made our deposits on Wednesdays to Independent Bank and then on Thursday we are taking a check to the county in the afternoon, but on Thursday morning we were requesting the money from the county that they did not know we had. So it's like when you go to the bank and you make a withdrawal, what do they put in first. Do they put in the deposit first or the withdrawal first. They are doing it pretty much on the same day and that is what was happening with the county. They see our request to take money out they don't know we will be bringing them money in the afternoon, so to them it looks like we are overdrawing. So that is why we are making our deposits to Independence Bank on Monday, so we can take the check to the county on Tuesday and not request our money from the county until Wednesday or Thursday. Ms. Scott noted that when everyone met with the treasurer, he informed everyone DHD2 did not have a savings account. It should be put in the Board minutes there is no savings account. Ms. Pelton said we never asked for more money then what we had, but we know what we had and the county didn't. This should correct the problem. Ms. Pelton said we will start e-mailing the amount of the deposits on Monday to the county treasurer. It will give them a comfort zone. Mr. Hunt thanked Ms. Pelton for the information.

Mr. West asked if it would be helpful that instead of having Committee Meetings, if the Board of Health meetings started at 8:30 a.m. Everyone agreed it was a good idea.

Open to Public: Ms. Pelton commented on last months Board meeting in regards to the Finance Director Benefits.

Bill Review: Bills were reviewed by the Board of Health

Meeting was adjourned at 12:45 p.m.

Minutes respectfully submitted by Val Sherosky, Administrative/Confidential Secretary.

John West, Secretary

Val Sherosky, Admin/Conf Secretary