

**DISTRICT HEALTH DEPARTMENT NO. 2
SPECIAL BOARD OF HEALTH MEETING
District Health Department No. 2 – Multi Media Room Lower Level
May 12, 2010 9:00 a.m.**

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

STAFF PRESENT: Debra Baumann, Public Health Director; Lynnette Benjamin, Health Officer; Doug Getty, Environmental Health Director, Debra Pelton, Finance Director; Linda Rich, Home Health Director

PUBLIC PRESENT: Judy Harshman, Betty Mier, Jane Wilmot, Mike Anschuetz, Norma Pennington, Connie Stasiak, Jody Dantzer, Tracey Wood, Sharon Bryant-Langley, Laurie Cappell, Don LaFaive, Gary Klacking, Bonnie Klann, Bonnie Borushko, Liz Chadwick, Jeff Patric,

The meeting was called to order by John Moehring at 9:02 a.m.

Adoption of Agenda

Motion made by Joe Stone and seconded by Patricia Schmidt to adopt the agenda as is.

Roll Call: All Ayes

Motion Passed

Open to Public

Bonnie Klann asked the Board to allow for staff to have input at the time of discussion instead of waiting until public comments. The Board did not think this was a good idea; it might take up too much time. Ms. Klann than proceeded to talk about the cuts.

Budget Recovery

Lynnette Benjamin spoke in regards to past, present and future perspective to give depth to current Public Health financing explaining how this shortfall happened and why \$120,000 shortfall.

1. From an historical perspective, DHD2 had a healthy cash balance but suffered multiple setbacks, i.e. budgets not prepared for or built around and it is not realistic to ever recover from payouts on lawsuits and retiring personnel. If not for these large withdrawals, we may have been able to withstand the current economic impacts.
2. State appropriations are dwindling and we may never see a 50/50 cost sharing again. We are literally doing more each year and are getting less each year (unfunded mandates). Triennial accreditation process is putting the squeeze on

- LPH to maintain FTE and program requirements. There has been a lot of dialog among peers to get the State to ease back before we crumble from the pressure.
3. A combination of internal and external impacts is reducing service encounters and the ability to maintain case loads and for EH, the reduction in septic and well permits, which combined, has serious revenue losses attached to it.

DHD2 cannot listen to critics saying we waited too long or did we not do anything to avoid this. These statements are simply not true. In fact, measures were taken to alleviate the anticipated loss in revenue in both this and last fiscal year. We are in the most challenging times for Public Health. Some of the problems that have been faced while working to address decreased fund balance cure: 1) H1N1 campaign, 2) State demands such as decreased funding with accreditation and unfunded mandates, 3) Losing Medical director, the main data/billing system crashed and a much needed free website was constructed.

The measures that were taken: 1) increased fees, 2) position eliminations, i.e. Oscoda County sanitarian, two (2) Family Advocates, 3) negotiated a new health care plan, 4) layoffs, 5) used existing staff to carry out H1N1 campaign to offset personnel costs and to keep the money from going back to the State, 6) creating a fiscal interface with program staff to better monitor revenue/expenses.

Why is the shortfall \$120,000? Multiple analyses were made and they all came to the same answer no matter how the revenue/expense was approached. When adjusted for the newer big expenses such as MESC, Health Insurance, 2% COLA, it helps to explain the additional strain there has and will continue to be on the cash flow.

The preparations that are being added to next years budget includes: 1) carry over increased expenses (MESC, Health Insurance, COLA, etc.), 2) manage the reduction in Medicaid cost reimbursement, 3) decreased State LPHO and CPBS, 4) other accumulating revenue impacts from EH, Home Care, Clinics.

Short Term Recommendations

Ms. Benjamin passed out both short term and long term budget recovery plans to go over with the Board. Mike Hunt asked how the money is generated between State mandated programs and programs that are not mandated. Ms. Benjamin explained there are forty-three (43) programs; eight (8) which are mandated and all have revenue and expenditures flowing through. Bev Scott asked about the other programs that are generating money and how much did they generate. Ms. Benjamin replied that this work is still in process as a lot of thought needs to go into how to present programs in isolation of each other in terms of what is or is not holding their own since personnel expenses are intertwined between programs and many other variables play into this. Mr. Hunt inquired if the State has reduced revenue and the grants are lost, did the staff go with it? Ms. Benjamin reminded the Board that the Recovery Plan to retain staff past funding was meant to bring in revenue by having knowledgeable and experienced staff work to retain case load by keeping clinic appointments full, conducting the needed outreach, eligibility screening and as mentioned earlier, the billable service staff doing visits instead of office and program coordination to enhance efficiency. This plan was meant to be monitored for

performance in meeting anticipated revenue and noted if the agency had more time tolerance believe it would have been successful and the staff deserve kudos for their efforts on this endeavor. Ms. Scott said that the Board should be given all figures. They need information to make decisions. Patricia Schmidt agreed.

Plan A: Ms. Benjamin noted that mandatory layoffs for staff took place the week of May 10th, which has a savings of \$40,000. Contingency plans were made for this week to retain limited services available to the public, as well as staff maintained at the main office for the week to make appointments. Ms. Benjamin wanted to thank the counties who gave DHD2 their appropriations early and understanding this revenue gap in the future.

The next item for short term recovery was a reduced work week. Ms. Benjamin passed out two (2) samples of time sheets for an eight (8) and nine (9) day work pay period. This plan would depend on the union vote. They will be voting on closing one (1) day every other week or closing every Friday. Staff have been in favor of the shorter work week. Ms. Schmidt thought closing every Friday would be easier on the public instead of every other Friday.

Mr. Hunt asked if there has been any more conversation in regards to a change in health care coverage. Ms. Benjamin referred to the January Board of Health meeting when four (4) options were presented to the Union and they responded with a request for layoff in lieu of changing health insurance. Mr. Hunt felt this might be a way to save money. Ms. Benjamin replied that it is still an option, but requires a union vote. She will be sitting with Ms. Klann to discuss the shorter work week options. The union will need an end date for a shorter work week and this would be September 30, 2011.

Ms. Scott said she and Mr. West came up with a budget plan and at that time the plan was passed out. Joe Stone said their plan was just a “Band-Aid” to this problem. DHD2 needs to look at the long term. Mr. West noted that he did not have a problem with changing insurance, but he had a problem with closing the offices. Unemployment costs are high.

It was brought up about stopping PTO payouts to management. Ms. Benjamin said the managers have agreed to eliminate payouts by carrying them over as listed on the short and long term recovery plan.

Mr. West said that we have time to do long term and should be spending time on the short term solutions. Ms. Scott agreed.

Ms. Scott went over the counties plan which included:

- Reduced work hours of Nurse Practitioner.
- Eliminate the PTO payout and have the two (2) managers who have already received the payout return them.
- May 10th office closure – this is already in progress.
- Layoff Family Advocates and move to lower positions by bumping.
- Layoff one (1) Health Educator – most counties only have one (1).

- Layoff Finance Director for the rest of the year.

If all of these items were put into effect, it would save the agency \$122,700. Ms. Scott believes this plan could work. Mr. West spoke up and said the county has done the job without a Finance Director. He feels it can be here. Ms. Scott noted this plan would only be short term. Mr. Hunt and Ms. Benjamin informed Ms. Scott that they can't get along without a Finance Director. They don't believe the department could survive. Mr. Hunt asked about freezing the 2% wage increase and changing the health insurance. Ms. Benjamin advised Mr. Hunt that it would need union approval.

Mr. West mentioned that PTO payoff was "killing" the agency and that the five (5) management days should be eliminated. Ms. Scott said she spoke with the auditor and was informed that there needs to be cross training within the Health Department. Job reassignments need to be done. We have to look at permanent cuts. She realizes there will have to be some revenue cuts and it will take time.

Mr. Hunt inquired about the position eliminations. Ms. Benjamin told him it would be two (2) positions and felt uncomfortable naming names in a public meeting without informing staff first. Ms. Benjamin said that the Family Advocates would be eliminated. Mr. Hunt asked if they have the right to bump. Ms. Benjamin said they did have the right to bump and expects this process completed by July 1st. Mr. Stone agreed that positions need to be eliminated.

Ms. Benjamin went over an additional cost savings measure that impacted most office schedules in West Branch and Tawas offices.

Motion made by John West and seconded by Beverly Scott to adopt Ogemaw Counties budget recommendations.

Roll Call: William Thompson: No, Kathleen Vichunas: No, Patricia Schmidt: No, John Moehring: No, Beverly Scott: Yes, John West: Yes, Joe Stone: No, Mike Hunt: No.

Motion: Not Passed

Mr. Hunt said he felt comfortable on most of the items in both plans, but Mr. Stone said both need to be looked into.

Mr. Hunt went on to inquired about the Ogemaw building lease. He would like to know what is going on with this idea and information needs to be put on the table. As of now, Ms. Benjamin is looking into different options. Mr. Hunt would like some information to review in regards to the options. Mr. Moehring inquired into the restructuring of the Mio and Harrisville offices. Ms. Benjamin is also looking into options, but believes DHD2 should maintain a strong presence in the counties.

At this time, Ms. Scott felt the Board should go into recess. She believes nothing has been done and good information has not been given for the Board to vote wisely.

Mr. Hunt asked how DHD2 was doing on payroll and bills. Ms. Benjamin said we can make it thru May. Mr. Stone said we cannot make any quick decisions. Ms. Schmidt

asked when do we run out of money and do we need help to get thru June. Ms. Benjamin believes the current actions to address deficit should insure meeting June payroll.

Mr. Hunt asked how much do we need to fix it short term. Do we need more than \$40,000 to get thru June? Mr. West advised not to force anyone to make a decision now. Ms. Benjamin asked the Board what type of information do they need. Ms. Schmidt said she was ok with the Health Department's short term solution. Mr. Hunt said he can accept Plan A, but only certain numbers. Mr. West would like the Finance Committee to go over the plans and come back with information. Ms. Schmidt would like the information in writing and needs the information ahead of time so she can study it. Mr. Hunt asked if the numbers were close. Ms. Benjamin said yes they are. Ms. Schmidt said she would also like to respond to Ogemaw Counties proposal and would need as much information as possible. Mr. Hunt asked when can the Finance Committee meet. All on the committee said right now. Mr. Thompson asked if the information from the Finance Committee can be sent via e-mail to the Commissioners and it was agreed that an e-mail would be sent out to all Commissioners as soon as numbers were formulated. It was also agreed that short term has to be done first before long term can come into effect.

Public Comments

Norma Pennington: The MERS issue has been a sore subject and let everyone know that she was told that when the Finance Director was rehired, she had to be put into MERS. Also, Ms. Pennington said that the Health Department would not survive without a Finance Director. The Finance Director does more than just finance. She also handles all computer problems when they arise.

Betty Mier: Presented an idea on saving money by changing MERS plans.

Jody Dantzer: Asked if the Family Advocates were laid off if the money would be going back to Oscoda County and why was the Finance Director being targeted for layoff. Ms. Scott said the Finance Director was chosen for layoff because she was not giving out good financial information. Ms. Dantzer asked if this action was for disciplinary reasons or financial. At that time, the Board advised Ms. Dantzer this was not a question and answer period.

Connie Stasiak: Commented on how the mandatory layoffs left no time to do work.

Bonnie Klann: Suggested that we might get rid of our computer firm NCC and it would save us about \$32,000.

Bonnie Borushko: Spoke in regards to the higher travel costs and how this was affecting Home Health. She feels someone has to understand the department.

Liz Chadwick: Said the layoffs were very disruptive. It was costing the agency more money to have the layoffs. There are clients that have to be seen.

Ms. Schmidt commented that every department should be researched to see where there could be cuts and thanked everyone for their comments. She thought they were very

good. Ms. Cappell said the Finance Coordinator was overwhelmed after three (3) managers had been fired. Ms. Pennington spoke and said Ms. Cappell did need help. Mr. West commented that everyone should be cross trained in all divisions.

It was decided at that time to adjourn and for the Finance Committee to regroup to go over the budget proposals.

Meeting was adjourned at 11:30 a.m.

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

John West

Val Sherosky