

ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD OF CUYAHOGA COUNTY

FINANCE AND OPERATIONS COMMITTEE MINUTES APRIL 15, 2015

David E. Biegel, Ph.D., Committee Chair, called the meeting to order at 4:00 p.m. Upon request of the Chair, committee member, Charlotte Rerko, read aloud the Committee Mission Statement: *"To assist the full Board in fulfilling its fiduciary responsibility by reviewing and overseeing financial and operational aspects of the system."*

Present: David E. Biegel, Ph.D., Charlotte Rerko, MSN, RN, BC, Harvey A. Snider, Esq., Ericka Thoms, Mary Warr, M.Ed. / **Absent:** Eugenia Cash, LSW, MSSA, CDCA, Robert Fowler, Ph.D., Rev. Benjamin F. Gohlstin, Sr.,

Board Staff Present: William Denihan, C.E.O., Frank Brickner, Cheryl Fratalone, Valeria Harper, Esther Hazlett, Carol Krajewski, Ralph Piatak

1. **APPROVAL OF MINUTES**

The Finance & Operations Committee minutes of March 18, 2015 were approved as submitted.

2. **FINANCE REPORTS**

Board Voucher and Operating Expenditures Report for March 2015

Chief Financial Officer, Frank Brickner, reported that approximately 26% of the Board's Administrative budget has been spent. We are under budget in all categories with the exception of salaries and fringe benefits. This is due in part to having three pay periods in January. It was noted that the Board will have to absorb a 27th pay period this calendar year based upon a decision of the County to move the final pay period ending on 01/01/16 to 12/31/15. He assured committee members that this situation will be monitored throughout the year.

Mr. Brickner highlighted items from the Board Vouchers, Expenditure Reports and Balance Sheets for March 2015. On page 5, it was noted that the amount spent for computer equipment is to upgrade equipment in order to be ready and compatible for the new SHARES system. (All financial reports are attached to the original minutes stored in the Executive Unit.)

Motion to recommend approval of Board Vouchers & Expenditures Reports for March 2015 to the full Board.

MOTION: H. Snider / SECOND: E. Thoms / AYES: C. Rerko, H. Snider, E. Thoms, M. Warr / NAYS: None
ABSTAIN: None / **Motion passed.**

3. **REQUEST FOR ADVANCE – HITCHCOCK CENTER FOR WOMEN (\$150,000.00)**

Mr. Brickner reported that Hitchcock Center for Women (HCFW) has requested a \$150,000.00 cash advance on its Non-Medicaid billings due to cuts in funding from United Way (\$170,000), from HUD (\$500,000) and the state (\$70,000) which caused the agency to deplete its cash reserves. The advance would be recouped from future billings from May 2015 to December 2015. In the interim, the agency will look at how it can increase its capacity of residential treatment beds in order to grow its revenue.

Mr. Denihan noted that rarely does a provider undergo such reductions during the same time period. The agency is struggling financially and has requested an advance to pay vendors and cover payroll. Ms. Harper, Mr. Doud and Mr. Denihan have met with the agency on several occasions regarding this situation. Board staff considers it a partnership with this provider and recommends approving this advance request. This issue was also discussed and recommended for approval by the Board's Planning & Oversight Committee.

Dr. Biegel inquired about the results of the financial stability review. Mr. Brickner reported that there are concerns. Without this cash infusion, the agency would be in jeopardy of closing their doors. They did have some surplus cash but that was depleted over the loss of these revenues. The agency does have a line of credit but is up against its maximum line of credit. The way that HCFW can get out of this situation is to utilize treatment beds and bring in the revenue needed. Mr. Brickner stated that Board staff intends to monitor HCFW's progress quarterly.

Mr. Denihan noted that in an open discussion at the Planning & Oversight Committee the agency's Executive Director, Board Chair and Chief Financial Officer were all open to discussing a partnership, merger or collaboration with another provider or entity.

Motion to recommend approval of an advance request from Hitchcock Center for Women in the amount of \$150,000.00 to the full Board. MOTION: E. Thoms / SECOND: H. Snider / AYES: C. Rerko, H. Snider, E. Thoms, M. Warr / NAYS: None / ABSTAIN: None / **Motion passed.**

4. CONTRACTS

Mr. Brickner highlighted the agenda process sheets for contracts listed below, answered questions and provided clarification for committee members. He also identified a revision for the agenda--item #2 under both the Interagency Agreements and Service Provider Agreements should be removed. He explained that a Notice of Award was received by the ADAMHS Board for the Cleveland Rape Crisis Center; however, we realized afterward that the state intends to contract directly with the Cleveland Rape Crisis Center; therefore, the Board will not be a party to that agreement.

a. Interagency Agreements: Acceptance of Funds

1. Ohio Department of Mental Health & Addiction Services – Early Learning Challenge Grant (Contractor: Positive Education Program)

b. Service Provider Agreements: Allocation of Funds:

[*Recommended by P&O Committee]

1. Notice of Sub-Award: Ohio Department of Mental Health & Addiction Services – Early Learning Challenge Grant (Reference Interagency Agreement Item 1)
 - Positive Education Program - \$49,890.00
2. Early Childhood Mental Health Services
 - Beech Brook - \$125,000.00
3. * Integrated Physical and Behavioral Health Residential Treatment Medical Clinic
 - Catholic Charities Service Corporation - \$299,640.00

Amendment:

1. Amendment to Res.15-03-06, Eligibility Agreements with Licensed Care Facilities - Additional ACF:
 - Nurturing Care

Motion to recommend approval of Interagency and Service Provider Agreements to the full Board.

MOTION: C. Rerko / SECOND: E. Thoms / AYES: C. Rerko, H. Snider, E. Thoms, M. Warr / NAYS: None ABSTAIN: None / **Motion passed.**

4. IDENTIFY CONSENT AGENDA

Dr. Biegel recommended that the proposed Consent Agenda should include the Hitchcock Center for Women Advance Request, Finance Reports/Vouchers for March 2015 as well as the Interagency and Service Provider Agreements. Committee members concurred.

5. OLD/NEW BUSINESS - None

There being no further business, the meeting adjourned at 4:35 p.m.

Submitted by: Carol Krajewski, Executive Specialist

Approved by: David E. Biegel, Ph.D., Finance & Operations Committee Chair