

MINUTES
MH&R BOARD OF ERIE AND OTTAWA COUNTIES
— OCTOBER 20, 2015 —

PRESENT: Jo-Ann Sanders Darwitt Garrett Betsy Wilbur
 Craig Stahl Keith Newton Jim VanEerten
 Tim Betton Sandi Carpenter Gary Gross
 Ron Guerra Connie Kendrick Ron Mraz
 Charlie Murray Kayleigh Snyder Chris Galvin

OFFICE STAFF: Kirk Halliday Beth Williams Patty Notestine

EXCUSED:

ABSENT: Lee Roy Holland

THE MHRB MEETING OF OCTOBER 20, 2015, WAS CALLED TO ORDER AT 5:15 P.M. AND THE CHAIRMAN NOTED THE PRESENCE OF A QUORUM, JO-ANN SANDERS, CHAIR, PRESIDING.

Oath of Office, Read by; *Chris Galvin. Welcome to the Board!*

Agenda and Secretary's Report (minutes) were approved as written.

EXECUTIVE DIRECTOR'S REPORT:

- a) Monitoring reports, FY Proposed Revenue & Expense Budget with Actuals, and FY16 Contracts reviewed by Beth Williams.

Questions/Concerns:

- 1) The Budget Revisions were approved as seen on page 9 of the proposed revenue budget with actual.
- 2) Going forward, it was noted that the finance committee meeting should be aligned prior to the submission of the Quarterly/Year to Date Monitoring Report (January).
- 3) All reports to the Board need to have a title and a date included.
- 4) Asked for contract report to show dollar amount approval and amount still available.

- b) Monthly Update Dr. Halliday:

- 1) NOPH (Northwest Ohio Psychiatric Hospital) has informed Agencies and Community Providers that all potential patients be medically cleared prior to being accepted at NOPH. Also requesting that ER physicians explicitly "clear" the patient for transfer as well. Some medically complex patients cannot be safely treated at their facility due to limited medical resources. In general, the higher the acute need for medical care is present, the less likely they are to accept the patient for admission until the patient's medical condition is adequately stabilized.

Discussion/Comments:

- Ultimately shifting costs from the State to local government.
- Basically to slow flow of patients going to the State hospital.
- This is a huge safety issue.
- Most facilities are not equipped to handle a patient in their ER for an extended time.
- Patients need to be stabilized medically (most likely in ICU) before you can follow up with any mental health, alcohol, and drug addiction.
- Most patients going to NOPH have a history of violence.

- No communication, coordination or discussion has taken place concerning other area facilities.
- We need to do more talking within our community.
- Would it be possible to set-up a meeting with the State on this issue?
- The more information we can get the better.
- Dr. Halliday noted he will keep the Board informed on this issue.

Motions Requiring Action:

Beth Williams reviewed the Consent Agenda items. It was noted moving forward that all items are to be voted on separately. Items that complement one another should be kept together.

RESOLUTION NO. 10-2016-01: WHEREAS: The attached Consent Agenda has been reviewed for appropriateness and compliance with Board Policies; therefore Betsy Wilber resolved the Mental Health and Recovery Board of Erie and Ottawa Counties approve the business contained in the Consent Agenda, second by Ron Guerra. Roll call vote taken – Mr. Betton, yes; Ms. Carpenter, yes; Ms. Galvin, yes; Mr. Garrett, yes; Mr. Gross, yes; Mr. Guerra, yes; Ms. Kendrick, yes; Mr. Mraz, yes; Mr. Murray, yes; Mr. Newton, yes; Mr. Stahl, abstain; Mr. VanEerten, yes; Ms. Wilber, no; and Dr. Sanders, yes; resolution approved.

Note; *Mr. Stahl abstained from the approval of the consent agenda due to not having time to review beforehand.*

BOARD CONCERNS/COMMENTS:

- Mr. Gross was mistakenly left off of the Board email list and did not receive the additional information from Ms. Gunderson (CKG Consulting). The Board Secretary will make sure this is resolved and information forwarded a.s.a.p.
- When will the Board be participating in a community needs assessment?
- Much of our funding goes to one provider.

UNFINISHED BUSINESS: Reminder of the Awards for Excellence Dinner on the 29th of October.

CLINICAL TOPIC OF INTEREST: Dr. Lowell spoke about Invega Sustenna/Trinza, an atypical antipsychotic used to treat schizophrenia, bipolar disorder, delusions, and aggression. *Talk Therapy* was also briefly noted.

CQI – CONTINUOUS QUALITY IMPROVEMENT PLANNING: STATE AUDIT REVIEW

- ✓ *Mr. Newton moved to exit the regular board meeting and enter into the ad hoc audit committee (board as a whole), second by Ms. Carpenter, motion carried unanimously.*

- Auditor of State Management Letter reviewed by Beth Williams.

Compliance:

- 1) Ohio Rev. Code 5705.10(I) provides money paid into any fund shall be used only for the purposes for which such fund is established.
- 2) Ohio Rev. Code 121.22(G) provides that except as provided in division (G)(8) and (J) of this section. The members of a public body may hold an executive session only after a majority of a quorum of the public body determines, by a roll call vote, to hold an executive session and only at a regular special meeting for the sole purpose of any of the following matters listed.
- 3) Ohio Rev. Code 5707.39 provides the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals.

- 4) Ohio Rev. Code 5705.41(B) prohibits a subdivision or taxing unity from making any expenditure of money unless it has been properly appropriated in accordance with the Ohio Rev. Code.

See Management letter on page 6 for full detailed explanation.

- Review of Single Audit ended December 31, 2013 and Single Audit ended December 31, 2014 reviewed in detail by Beth Williams. See *Summary of Audit Reports for year ended December 31, 2013 and 2014* on page 7 of the minutes for detailed report.
- ✓ The Board Trustees would like the opportunity to meet with the State Auditors for the entrance and exit interviews if that is workable.
- ✓ *Dr. Sanders moved to exit the ad hoc audit committee and enter into the regular board meeting, second by Mr. Newton, motion carried unanimously.*

AUDIT RESOLUTION NO. 10-2016-02: WHEREAS: The State of Ohio, Office of the Auditor, has audited the financial statements of the MH&R Board as of and for the year ended December 31, 2013 and an Ad Hoc Audit Committee consisting of the whole Board was formed. The Audit Report and all findings were reviewed and discussed in detail. The Committee conferred on all findings, in the Audit Report and recommendations were approved, therefore BE IT RESOLVED: The Mental Health and Recovery Board of Erie and Ottawa Counties approved the Report of the Single Audit Calendar Year 2013, resolved by Ms. Kendrick, second by Mr. Betton. Roll call vote taken – Mr. Betton, yes; Ms. Carpenter, yes; Ms. Galvin, yes; Mr. Gross, yes; Mr. Guerra, yes; Ms. Kendrick, yes; Mr. Mraz, yes; Mr. Murray, yes; Mr. Newton, yes; Mr. Stahl, yes; Mr. VanEerten, yes; Ms. Wilber, yes; and Dr. Sanders, yes; resolution approved unanimously.

AUDIT RESOLUTION NO. 10-2016-03: WHEREAS: The State of Ohio, Office of the Auditor, has audited the financial statements of the MH&R Board as of and for the year ended December 31, 2014 and an Ad Hoc Audit Committee consisting of the whole Board was formed. The Audit Report and all findings were reviewed and discussed in detail. The Committee conferred on all findings, in the Audit Report and recommendations were approved, therefore BE IT RESOLVED: The Mental Health and Recovery Board of Erie and Ottawa Counties approved the Report of the Single Audit Calendar Year 2014, resolved by Mr. Newton, second by Ms. Carpenter. Roll call vote taken – Mr. Betton, yes; Ms. Carpenter, yes; Ms. Galvin, yes; Mr. Gross, yes; Mr. Guerra, yes; Ms. Kendrick, yes; Mr. Mraz, yes; Mr. Murray, yes; Mr. Newton, yes; Mr. Stahl, yes; Mr. VanEerten, yes; Ms. Wilber, yes; and Dr. Sanders, yes; resolution approved unanimously.

- ✓ The Board agrees with everything stated in the audit resolution 10-2016-03 but would like to note there are financial errors in the audit. The Board staff were not given the opportunity to review the draft audit to correct the errors. Beth Williams to submit a correction page to add to the report for future reference.

COMMENTARY:

Ms. Mruk, FCRS, invited everyone to attend their 16th Annual Forensic Conference Understanding Addiction: Squirrel Logic, on November 13, 2015 (informational pamphlet provided).

Ms. Mruk assured the Board that they are not going to change their policy and will continue to serve and care for clients as they always have and thanked the Board for the funding they receive.

Mr. Supina thanked the Board for making it possible for him and numerous others to attend the *Unite To Face Addiction* rally on the National Mall in Washington DC; it was cold but still attended by

thousands. Also noting the Surgeon General will be doing the very first paper on addiction, similar to that issued for tobacco use.

NEW BUSINESS (COMMUNICATIONS FROM THE BOARD CHAIR):

Dr. Sanders met with Dr. Halliday and spoke about the Board being an active participant in needs assessment and priorities. The budget should be developed in relationship to the priority that the Board establishes. Dr. Sanders recommended to Dr. Halliday in November/December information should be given to this Board to make a determination of needs assessment. A written report with information from the Executive Director as it relates to needs and information from service providers on what they need, from the legal system, from the Health Department, showing where and what are the needs within our community. Dr. Sanders feels it is important to know the thoughts and opinions of those who work in this field daily. After that we would come up with a priorities list to work with, and then participate with information *providing a viable budget* which meets the needs of this community.

There appears to be a fragmentation in this small community around Mental Health. We have clearly established agencies that are producing great results with a proven history of being effective in our community. Removing funding from agencies does not seem to be the appropriate way to go. We must work together and recognize the expertise of all those involved.

Other opinions/concerns:

- Board members agreed developing a needs assessment would be a good first step. Get results and share, include staff as well.
- What criteria do we have to evaluate providers?
- We would have to decide what we want and provide how it should be done.
- How do we objectively evaluate provider information? Bring in other consultants?
- Think about the ENDS, what is it really that we want to do?
- Be an informative Board, accountable for what we vote on, things we do, and to make the Board better.
- When was the last time this we did a needs assessment?
- We are *mandated* to fund certain services by law.
- A part of what this Board is to do is not talk about finances every month but to be more engaged in the budget process.
- What needs do we want to look at? What is out there that we're not doing?
- We are loosely tied to what the funds can be spent on.
- We can allocate levy funds and unrestricted funds.
- In 2005 the Board did do a comprehensive review of priorities. Which were then *transferred into the governance policies*. The Board deliberated and came up with their priority, which was to serve youth and families. Using best practices to see what was available to use in the community.
- Another starting point would be to go back and take a look at those priorities developed in 2005, especially since losing Medicaid.
- A needs assessment is something we should continuously do.
- Needs assessment should drive the budget.
- Any request for funding should include measurable outcomes.
- Outcomes are established within our contract documents.
- Agency outcomes will be coming to the Board in November. We need to be provided something we can take home and study as well.

Dr. Sanders asked the Board members who have not responded to the email survey sent out on the Executive Director evaluation to please do so by this weekend.

We have asked to start meeting at different locations, when will that be happening? Dr. Halliday noted there are issues of confidentiality (executive session) and that kind of thing before we would move to another location. Board to be kept updated on this issue.

RECORD OF MOTIONS/RESOLUTIONS:

- Resolution 10-2016-01 *Consent Agenda*, roll call vote approved by majority.
- Resolution 10-2016-02 *Audit 2013*, roll call vote approved unanimously.
- Resolution 10-2016-03 *Audit 2014*, roll call vote approved unanimously.

RECORD OF FOLLOW-UP ACTION REQUEST:

- ❖ Needs Assessment information to be brought to the Board (*see minutes*), a written report provided by Dr. Halliday
- ❖ Different board meeting locations proposed

LIST OF ATTACHMENTS:

- FRMC 16th Annual Forensic Conference

THE MHRB MEETING OF OCTOBER 20, 2015, WAS ADJOURNED AT 7:45 P.M. WITHOUT OBJECTION BY JO-ANN SANDERS, CHAIR.

Respectfully submitted,

Signature – Board Trustee

Management letter

1. This is mentioned just about every year. At the end of the calendar year we are in the middle of a fiscal year so many times the restricted funds are not received by the end of the year resulting in negative fund balances. At the County Auditor's the restricted funds are not negative; this is only shown on the break out of federal expenditures report. At the County Auditor's we cannot make payments out of any fund that does not have the money available. The Board does monitor fund usage and strives to limit payments to funds actually received. All funds received by the Board are for one purpose; providing behavioral health treatment and prevention services to the citizens of our two counties. Restricted funds must be spent or sent back all services provided by contract agencies are first paid using the restricted funds. The Board does have a reserve balance in order to pay for obligations up front. Once the restricted funds are received the reserve account is replenished. The Board always strives to the extent possible only pay for services with actual funds received.
2. This is a documentation naming convention that must be used in the minutes when going into executive session. From now on we will use the specific language noted in items (1)-(8) from ORC 121.22 for any executive session.
3. The certified resources for both 2014 and 2013 for ODADAS did not include the OOD VRP3 funds which are not federal. The state auditor included the OOD VRP3 funds as restricted because they are a grant for vocational services. The certified resources in for both 2014 and 2013 for ODMH did not include the Race to the Top grant.
4. The ODMH Medicaid, ODADAS Medicaid and RSC were 3 funds that we no longer receive. The balances were transferred to the general fund during 2014. The transfers were considered expenditures without appropriations. An amended certificate of estimated resources was not requested.

October 20, 2015 Audit Committee

Summary of Audit Reports for year ended December 31, 2013 and 2014

The Auditor of State has audited the financial statements shown on page 5 of the audit report. Page 5 shows all receipts and disbursements during calendar year 2013, Pages 5- 6 show all receipts and disbursements during calendar year 2014. The special revenue funds in the report on page 5 are the Board's federal funds received from the U.S. Department of Health and Human Services passed through the Ohio Department of Mental Health and the Ohio Department of Alcohol Drug Addiction Services. Also included are the funds received from the Opportunities for Ohioans with Disabilities for the vocational services program. Expenditures and matching dollars using state and local funds are not examined in this type of audit (regular).

A general statement, on page 1 and 2, is made stating that the Board does not follow generally accepted accounting principles (GAAP) in creating the financial statements. GAAP is a multifaceted accounting reporting system that would add unnecessary complexity to the Board's general ledger reports. Weighing the cost of changing to GAAP against the benefits precludes the Board from effectively and efficiently converting to this accounting methodology. So we live with the dual statement from our auditors.

A summary of the Board's significant accounting policies is given on pages 7-10. The Board operates on a cash basis using fund accounting principles. The Erie County Treasurer is the custodian for our funds. An annual budget is passed after being approved by the Board. The budget process uses appropriations, estimated resources and encumbrances as required by local and state laws.

On page 10 are tables showing the Board's budgetary activity along with variances. When the overall variance is positive that indicates more money came in than what was anticipated. The same is shown for the appropriated expenditures. Pages 10- 12 explain the Board's property tax and retirement system.

On pages 10-11 under Note 4-Debt our mortgages are shown. The Board currently has two commercial loans, one for the office building obtained in 1998 and the other for The Beacon obtained in 2009. The amount of the principal on the office building at the end of 2014 is \$38,522. The mortgage for the Board office building should be paid off in 2018. The amount of principal on the Beacon House at the end of 2014 is \$87,518. The remainder of pages 11-12 discusses the risk management (liability and property insurance), compliance and interfund transactions. Page 13 has the Schedule of Federal Awards Expenditures for the year.

For 2013 the auditors examined the internal control over the financial reports, on pages 15-16, and compliance with requirements to the major federal program on pages 17-19. Page 21 has the schedule of findings for 2013. The miscommunication by the state department as to the type of funds awarded for the Race to the Top Grant caused finding 2013-001 and the finding for the federal award. The Board's official response is included in the audit. The other finding 2013-002 are fund classification labels for the Board's Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance Report. Page 25 has the Board's Correction Action Plan for the finding for federal award.

For 2014 the auditors examined the internal control over the financial reports, on pages 15-16, and compliance with requirements to the major federal program on pages 17-18. Page 20 has the schedule of findings for 2014. The finding 2014-001 is a repeat from 2013 concerning the fund classification labels for the Board's Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance Report