

Sullivan County NH

Type of meeting: Board of Commissioners –Special Meeting with SCHC Administrator, DON and County Manager to Review FY 08 SCHC Expense Reduction Recommendation

Date/Time: Thursday, November 15, 2007, 4 PM

Place: Newport, Remington Woodhull County Complex

Attendees: Commissioner Ethel Jarvis – *Chair*, Bennie Nelson – *Vice Chair* and Jeffrey Barrette – *Clerk*, Ed Gil de Rubio – *County Manager*, Ted Purdy – *S.C.H.C. Administrator*, Becky Trudelle – *Director of Nursing*, Dodi Violette – *Account Clerk I*, Marc Hathaway – *County Attorney*, and Sharon Johnson-Callum (*minute taker*).

Public attendees: State County Delegates Larry Converse and Suzanne Gottling, Aaron Aldridge – *Eagle Times Staff Reporter*, Bill Roach – *Sunapee Town Select Boar Chair*

4 PM The Chair brought the meeting to order.

Ms. Johnson-Callum noted two items required clarification from yesterday's meeting:

- 1) Commissioner Barrette had recapped, for the public, the total expenses cut equaled \$583,174, yet Ms. Violette's calculator tape reflected \$583,774; a \$600 difference.
- 2) Yesterday, during their review of the Commissioners Office budget, the motion made indicated "\$2,850"; however, when Ms. Violette reviewed a list of her expenditure cut recommendations (Ms. Violette provided a copy to the Board), though the list included cuts to the Education and Training line of \$500, the consensus from the Commissioners was to leave the line untouched; the amount in the motion vs. their intent did not equal.

Fund 10 Object 400 Commissioners Office

Commissioner Barrette confirmed they want to:

- Leave untouched the Education & Training and the Misc. line amounts
- And reduce the Expense Account \$250, Office Supply \$500, NHAC Conference Preparation \$1,000 and Telephone \$600

Commissioner Jarvis noted the Expense Account was already over expended and questioned how they could reduce lines in that condition. Ms. Violette noted that the Expense Line budget [10.400.11018] was \$7,015 and as of today, expenditures were \$3,018. She pointed out that one Commissioner does not submit expense sheets (travel reimbursement), her thought was that they could save a little in that line. Ms. Violette confirmed all expenses for the NHAC Convention were booked. Ms. Violette confirmed she is not viewing the dollar amount in notes, but viewing the whole line item. Commissioner Nelson concurred they decided to leave in Education & Training and to leave the Misc. account alone. Commissioner Jarvis suggested, if they are removing monies, to transfer funds to the County Treasurer's travel expense line. Ms. Violette pointed out the County Treasurer has a \$500 budget for Education & Training the Treasurer will probably not use, and could be used to offset travel.

4:05 Commissioner Nelson moved to amend the Commissioners budget line to \$2,350 leaving the Misc. \$150 and [\$500] Education & Training in and other four items as listed [Reducing the Expense Account by \$250, Office Supply by \$500, NHAC Conference Preparation by \$1,000 and Telephone by \$600; as listed on Dodi's spreadsheet]. Commissioner Barrette seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Fund 40 Object 492 SCHC: Marketing

Mr. Gil de Rubio presented recommendations from the Marketing Fund they could cut:

- Line 12031 Advertising & Public Relations [Budget \$5,000] - reduce by \$2,000
- Line 16068 Telephone [\$800 budget] - reduce by \$800. He confirmed it was budgeted here due to anticipated volume of calls, but feels comfortable removing this with current phone expense trend.

Commissioner Barrette asked if anything could be reduced from the Salary lines. Ms. Trudelle confirmed two current employees perform the marketing projects. Mr. Gil de Rubio suggested reducing the line by \$10,000. Commissioner Jarvis pointed out two months have gone by with no one in the position and that benefits are not needed during those months, also. Commissioner Barrette suggested taking 15% off each line from salary through benefits, approximately \$13,840. Rep. Gottling noted the DRAFT financials she received showed an over expenditure. Ms. Violette pointed out this is why the reports were labeled DRAFT, as, at the time they were requested by the Commissioners and printed she had not received and entered the auditors requested adjustments - she is still working on end of year items.

4:27 Commissioner Nelson moved to reduce 15% on Salary and related items [benefits], \$800 on the Telephone [40.492.16068] and \$2,000 on Marketing [line 40.492.12031]. Commissioner Barrette seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Fund 40 Object 500 SCHC: Administration

Salaries Line 10001 - Mr. Gil de Rubio recommended removing funds from Contract Services [Line 12029] to add \$63,334 to the Salary Line in order to cover the new Administrator salary which is \$97,000; this should get them from Oct – June 30, 2008. The Chair noted she would accept questions from Mr. Franklin. Rep. Franklin received information from the County Manager regarding Genesis and the FY 07 contract amount budgeted for Admin was \$130,000 salary/benefits and what was paid out, per numbers provided by Mr. Gil de Rubio, was \$71,404.39 in five separate monthly payments, and then on 6/19/07 \$40,610.48 was paid, for a total of \$112,014.87 in FY07, and additional accounts payable carried forward and paid 7/30, part of the nursing home administrator line of \$69,588.12, for total of \$181,602.99; he feels that contract alone was overspent; plus he noted a severance package was paid. Commissioner Nelson pointed out to the Chair they were doing a budget work session for this year. Commissioner Jarvis asked what Mr. Franklin's point was. He said "you have been under the impression there was no severance paid". Commissioner Jarvis thanked him for the information. Mr. Franklin also added he is unclear as to why they are doing transfers now. Commissioner Nelson, noted, "by way of explanation, we have now hired our own nursing home and will not pay out of contract services and if needed will go before the Delegation to move those funds

to the correct line. The Chair requested the minute taker to get the gavel. (Johnson-Callum left room and returned a moment later). Rep. Franklin asked how much has been paid to the Nursing Home Administrator to current date. Commissioner Jarvis referred him to the Contract Services line [40.500.12029]. Mr. Gil de Rubio noted they have paid \$126,323 to Landmark for contract services. Landmark bills included administration and other personnel. Mr. Franklin asked if they have enough to pay the current Administrator's salary? Mr. Gil de Rubio confirmed \$165,600 was budgeted for the contracted Administrator in Line 12029.

The Chair stopped further discussion and requested the Board to continue with their review.

Per request, Mr. Gil de Rubio reviewed the following benefit calculations for the new Administrator: \$4,845 FICA, \$28 Life, \$9,974 Health Insurance, \$5,536 NH Retirement, \$1,584 Worker's Comp, \$22 Unemployment and \$450 Dental.

Mr. Gil de Rubio recommended deducting \$50,000 from Contract Services. He noted total increases to salaries and associated benefits total \$85,774; we have paid Landmark \$126,323. Mr. Gil de Rubio confirmed \$85,774 was in 40.500.12029 for salary and benefits. Commissioner Jarvis asked what the specific cost was for them providing an Administrator. Mr. Gil de Rubio and Ms. Violette explained that data could only be seen on the invoices, not their computer today. Commissioner Jarvis requested they attain that information for the Board. Mr. Gil de Rubio confirmed he would get the information.

Fund 40 Object 500 Line 12029 Contract Services

Mr. Gil de Rubio confirmed, after the \$50,000 deduction, a balance of \$63,677, would be left in the Contract Services line. The group reviewed other items charged to this line and whether there would be enough left to cover other items. Ms. Violette confirmed Imagistic is paid monthly for two copiers at the nursing home. Ms. Violette confirmed the detailed report the Board requested, was distributed earlier. Mr. Purdy pointed out he and Ms. Trudelle discussed the balance of \$63,677 and concurred with Mr. Gil de Rubio this would be sufficient. The group discussed the various expenses to be posted to this category and recalculated reduction amount. Mr. Purdy confirmed, even with \$35,000, there would be sufficient funds to carry out their obligations in the line.

Fund 40 Object 500 Line 16068 Telephone

Ms. Violette confirmed the amount charged for phone is monthly and includes: four pay phones @ \$293 to \$300 per month, cell phones @ \$132 per month and the regular phone system. The Board discussed current expenses YTD. Ms. Violette confirmed the reports reflected four months. Commissioner Barrette noted based on the reports they were running approximately \$1,450 per month and could take out \$2,000 from this line.

The group discussed the possible reductions throughout Fund 40 Object 500.

4:56 Commissioner Barrette moved to reduce the Telephone line by \$2,000, \$85,774 to 10001 from 12029 with corresponding benefits, less \$50,000. Commissioner Nelson seconded the motion. Discussion commenced regarding Lori Ciraso and

Landmark bills outstanding. Mr. Purdy confirmed he received an invoice for \$13,000 and will expect one for the month of October. Commissioner Jarvis made a motion to send a letter to Landmark to let them know they were no longer needed. It was pointed out the contract was a six month contract. Ms. Johnson-Callum noted there was a motion already on the floor and a 2nd one could not be made. Commissioner Barrette noted he would retract his motion, then indicated he would amend the motion to reduce the Contract Services line 12029 by \$35,000. Commissioner Jarvis asked to clarify the motion. Commissioner Barrette withdrew his motion.

4:57 Commissioner Barrette moved that the afore mentioned reductions and additions be set forth, that being the net result \$35,000 being reduced from Contract Services and \$2,000 from Telephone line [16068], with a sum total movement of \$85,774 from Contract Services [12029] into the appropriate lines between Salaries and adjoining benefits lines. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Fund 40 Object 500 Line 22093 Insurance

Mr. Gil de Rubio and Ms. Violette confirmed this used to be broken down by departments but was not lumped into Administration. The Board made no changes to this line.

Fund 40 Object 530 Dietary Department

Mr. Gil de Rubio noted the following recommended reductions:

- 10001** Dietary Director Salary Line - reduce by \$17,624, as person not there, savings from first four months, plus benefits, which he noted they could detail later.
- 11012** Group Health – couple positions not filled, \$31,000

Therefore \$48,624 would be the total reduction, plus benefits. Ms. Violette confirmed, in the Contract Services line they pay: the Dietician - Terri Martel, Mike Bodeur, and General Services Inc. It was noted \$27,811.99 has been paid out of that line to date. Commissioner Jarvis asked about General supplies. Ms. Violette noted this category includes invoices to Sysco, Wal*Mart, Hallmark, Mast, Staples, Quill, Petal Patch, Mike Bodeur, to name a few. A question was asked why Mr. Bodeur (IT services) was paid from that line. Commissioner Barrette requested Mr. Gil de Rubio to investigation this further with Ms. LaClair, as this may have been booked incorrectly and should it be in the IT services instead. Ms. Violette confirmed she would print a detail of the account so they could review it closer. Mr. Gil de Rubio confirmed Ms. LaClair, as of this week is fully staffed. Ms. Trudelle corrected him, to note they are still searching for one PTE. Commissioner Jarvis questioned adjustments in salaries. Ms. Violette noted GAAP accounting adjustments affects all salaries across the board, charging reversing, if you are looking at excess money – we need to have conversations on how people are viewing their budgets with these GAAP adjustments. Ms. Violette pointed out she scans and emails the Board on the adjustments so that they can view and understand the adjustment activity.

Fund 40 Object 530 Line 14040 Staff Lunch

Mr. Gil de Rubio noted there were recent concerns with the use of inmate labor in the kitchen; accordingly, this project ceased this week. Commissioner Jarvis noted \$95,735 was spent and recommended leaving the line alone. Commissioner Barrette agreed.

5:19 Commissioner Barrette moved to approve adjustments to the Directors Salary line and accompanying benefit lines and move on. Commissioner Nelson seconded the motion. Discussion: Commissioner Nelson asked a question regarding payroll charges and reversals. Ms. Violette discussed earnings and adjustment requested by the auditors and subsequent approval from Mr. Jeff Graham. Commissioner Jarvis feels the figures are not logical. Ms. Violette noted at the end of June they'd see an offset to the lines. Commissioner Barrette amended the motion to say reduce the Salary line by \$20,000 and to change all that goes with it. Commissioner Nelson seconded the amendment. There was no further discussion. A voice vote was taken. The motion carried, unanimously.

Fund 40 Object 540 SCHC: Nursing Department

Mr. Gil de Rubio made the following recommendations:

Line 10001 Salaries – using staffing techniques according to census cut \$332,000 out of that line item, plus benefits, and transfer \$240,000 to 541 On Call, and 541 Contract Services and remaining balance of \$92,000 plus benefits from the \$332,000. Representative Franklin questioned where agency nursing was reflected in the budget. Commissioner Jarvis noted it's in the On Call line. Mr. Gil de Rubio confirmed 40.541.10002 begins the Nursing On Call.

Fund 40 Object 541 SCHC: On Call

Commissioner Jarvis reviewed each line

Commissioner Barrette noted, when *"we sat for budget, we sat down to make a conscious effort to use Per Diem and zero out the Contract Service line; and, if we used agency we wanted them charged to respective line in the On Call"*. Mr. Violette pointed out Commissioner Jarvis requested it be put into a specific line, so that it could be seen all together. Commissioner Jarvis noted she asked for a print out of agency nursing, and there was no line, so we put it under Contract Services 541. Representative Gottling commented that agency nursing was mixed in with the On Call. Commissioner Barrette noted this was a conscious decision. After much discussion, Commissioner Nelson noted they were overspent on Contract and under spent on regular employees. Commissioner Barrette noted that leaves us to move \$240,000 from 540 line and respective benefits, roughly looking at \$330,000 that needs to go into. Mr. Barrette noted he did not want to waste office staff time and decide now as to where it goes. Mr. Gil de Rubio indicated it was nice having reflected under Contract Services as a lump sum and that it could be quickly identifiable.

Ms. Trudelle confirmed they have 2 LPN's helping to run the floors, intern positions, not budgeted, have 3 RNS in house. Commissioner Nelson pointed out they were well under budget for salaries on their own staff, therefore, take that money to move into Contract Services? Mr. Gil de Rubio concurred. Comm. Barrette pointed out that leaves

them with a \$140,000 shortfall in Contract Services today and that they need to look at Per Diem/Contract. He'd indicated he'd rather have Per Diem employees. The group discussed later reviewing Per Diem rates. Ms. Trudelle indicated Per Diem rates were not comparable to others and she currently has a small pool to draw from. Ms. Trudelle indicated Per Diems look at empty shifts, sign up for those positions first, then agency nurses are called in. Commissioner Jarvis questioned how SCHC staffs. Ms. Becky indicated they look at the census, should have 3.5 PPD - a new concept for the facility; agency numbers have decreased, as they don't need as much staff in house. Commissioner Barrette and Nelson discussed revisiting this issue next week at regular meeting, then decide where it really belongs. Commissioner Barrette suggested they not make changes until they make comprehensive changes. Accordingly, no formal motion was made at this point.

Fund 40 Object 560 Laundry & Linen and Object 570 Housekeeping

Mr. Gil de Rubio reminded the Board they reviewed these departments already.

Fund 40 Object 580 Lines 12029 Contract Services and Line 14044 Drugs-Billable

Mr. Gil de Rubio and Barrette discussed contract services. Mr. Gil de Rubio noted new monthly figures for MDM is \$1,400 for 8 months = \$11,200. Contract Service Line 12029 current budget is \$50,000 and could be reduced to \$27,000, reducing by \$23,000.

5:51 Commissioner Barrette moved that they remove \$23,000 from the Physician and Pharmacy Contract Service [40.580.12029]. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Fund 40 Object 585 Line 12032 Medicare Part A: Therapy Services

Mr. Gil de Rubio recommended a reduction of \$12,996.

Fund 40 Object 585 Line 14044 Medicare Part A: Pharmacy Expense

Mr. Gil de Rubio recommended a reduction of \$11,423.

5:52 Commissioner Nelson moved to accept the recommendations [Reduce 40.585.12032 by \$12,996 and 40.585.14044 by \$11,423]. Commissioner Barrette seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Fund 40 Object 586 Medicare Part B

Mr. Gil de Rubio and the Board made no changes.

Fund 40 Object 591 Physical Therapy

Commissioner Barrette noted there was an amount paid into an expense line. Ms. Violette confirmed a credit appeared and should have been applied to 581. The County Manager and Board made no reductions to this line.

Fund 40 Object 592 Occupational Therapy

The County Manager and Board made no reductions to this line.

Fund 40 Object 593 Recreational Therapy

It was noted there was 1 FTE 40 hours budgeted not to be used, so they could deduct \$25,000 plus benefits.

5:56 Commissioner Nelson moved we deduct \$25,000 from the Salary line with corresponding benefits. Commissioner Barrette seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Fund 40 Object 594 Social Services

The County Manager and Board made no reductions to this line

Fund 40 Object 596 Dental Services

The County Manager and Board made no reductions to this line. All concurred the services from the Dentist have been incredible.

Mr. Gil de Rubio noted this concluded the expense side of Fund 40

Commissioner Jarvis noted she still did not understand the Transfers In and Out. Ms. Johnson-Callum noted the FY08 Budget glossary contained transfer information. It was noted they were Transfers Out into CP, which stood for Capital, OP stood for Operations, and HR stood for Human Resources

Ed asked if they wanted to discuss revenue.

Commissioner Barrette suggested, as they are talking about specifics, we did a good job of cutting the obvious, he'd like to leave it there as they will not have an accurate read on revenues.

6:25 Commissioner Barrette moved they do adjustments to the revenue side of the nursing home budget to the first meeting of December 4th, to create as a work session after the regular scheduled meeting. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Commissioner Nelson requested a non-public regarding negotiations before they adjourned the meeting.

Action on yesterday and today's reduced/increased expense funds

The group discussed action on funds cut and increased. Commissioner Barrette indicated he needed assurance that the adjustments they made were frozen. Ms. Violette discussed adjustment options. Commissioner Barrette indicated he want to amend the budget to reduce it. Ms. Violette reminded them this type of request needed to go before the Delegation. Commissioner Barrette concurred they would want to review this before the Delegation. Ms. Violette discussed creating a "Frozen Fund Line",

which was a process done in the past. Mr. Hathaway noted the resolution did not contemplate creation of a line. Representative Gottling discussed the interpretation of the resolution. At this point, Mr. Hathaway advised the Board on the need for clarification from the Delegation; he asked if they waited four to five weeks would they be in a situation where these lines would be overspent? Rep. Gottling noted the EFC meeting was planned for the 20th. Ms. Violette commented that what they were doing were not transfers, but adjustments. Representative Gottling concurred on the interpretation. Rep. Gottling, my understanding is that you are following the auditors to create a working budget to follow and want the department heads to follow as well. Commissioner Nelson recommended they review moving money from Contract Services to the EFC meeting on the 20th. Commissioner Barrette noted, so no legal issues, operate tomorrow and Monday without making official changes, and take this before the EFC to request approval. Commissioner Barrette noted they would continue to operate on the lines that are zero until they receive approval. Mr. Hathaway indicated he had not met with the Board to discuss legal implications and suggested an Executive Session for legal counsel. The group discussed operating on lines with over expenditures and where to take from. Mr. Hathaway warned there are greater restraints due to the Delegation motion, that Ms. Gottling's insight is helpful, but that it does not alter the words in the motion, and that the Board should not take the risk.

6:32 Commissioner Barrette moved to go into Executive Session to discuss a personnel issue and legal matters with County Attorney Hathaway [Per RSA 91 – A:3.II.c. and e.] Commissioner Nelson seconded the motion. There was no discussion. A roll call vote was taken. The motion carried, unanimously.

7:15 Commissioner Barrette moved to go out of Executive Session. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

The group discussed creating a list of changes recommended and asking for permission from the Delegates. A very brief discussion commenced regarding a supplemental budget request.

7:16 Commissioner Nelson moved to adjourn the meeting. Commissioner Barrette seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Respectfully submitted,


Jeffrey Barrette, Clerk
Board of Commissioners

JB/s.j-c.

Date signed: 12/18/07