

**COUNTY HOME ADVISORY COUNCIL MEETING
WEDNESDAY, JANUARY 28, 2004**

Roll Call

Vice Chair Brian Feron called the meeting to order at 6:33 p.m. at the County Home. Brian said he would fill in until the election of officers later on this evening. Chuck Hawley, who was Chairman, has resigned from the Council. Brian introduced and welcomed Phebe Simpson who has filled the vacancy representing the health care profession. Phebe also has a legal background. The following members were present:

Present: Emily Muscatello, Cheryl Scheck, Ken Miller, Skip Sipos, Brian Feron, Randy Schmidt, Randy Bing, Tanya Rodgers, and Phebe Simpson.

Absent: Jo Becks

The following Ex-officio members were present: John Stricker – County Administrator, Joyce Farnsworth – County Home Administrator, Lynn Remington – Assistant County Home Administrator, and Chris Jakab – Finance Director. Also present was Carol Shockley from the Prosecutor’s Office. (A sign up sheet is attached as Exhibit A.)

Election of Officers

Brian opened the floor to nominations for Chair. Tanya Rodgers nominated Brian Feron. Cheryl Scheck seconded. There was no discussion. All voted AYE and Brian Feron was elected Chairman of the County Home Advisory Council for 2004. Brian opened the floor for nominations for Vice Chair. Brian Feron nominated Ken Miller. Cheryl Scheck seconded. There was no discussion. All voted AYE and Ken Miller was elected Vice Chairman.

Approval of Minutes – 9/24/03

The minutes had been emailed in advance. Brian asked if there were any additions or corrections and there were none. Brian motioned that the minutes be approved as written, and Emily Muscatello seconded the motion. There was no discussion. All voted AYE and the minutes were approved.

2003 Recap

Admissions Committee

Carol Shockley said the Admissions Policy the committee, the consultants, and she worked on last year is a work in progress. Its completion target date will be the end of the first quarter.

Facilities Committee

Brian said the committee met last October and reviewed the Maintenance Supervisor, Tom Maupin’s maintenance plan for the Home. They agreed with the priority of the capital improvements and many have been done as the budget allowed. John Stricker added that the parking lot improvements would be completed this year.

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Technology Committee

Lynn Remington stated that the new computers were up and running internally. John said the county has requested that Armstrong Cable put in cable on the road so they can be hooked into the county's computer backbone, which the Data Processing Board has authorized.

Finance Committee

Emily Muscatello said last year they worked on the finances with regard to raises for the staff. John pointed out that the raises for the weekend shift and second and third shifts have alleviated the personnel problems and it was not costly.

Brian said they needed to review the current committee structure, and those on the committees that have completed their mission can move on to other things. He will present a list next meeting.

Finance Report

Chris Jakab, Finance Director, discussed his handouts. The first one was the "CY03 Monthly County Home Operating Costs & Daily Resident Costs". He said the 2003 operating expense total for the County Homes was \$1,027,244.30. The average daily resident population was 51.94, which calculates into an average daily resident cost of \$54.18. The second sheet showed the monthly summary of the operating revenues and expenses that included capital improvement costs. The following sheet showed the same summary back to the period of July 2002, which was the beginning of the levy expenditure period. The revenue for the 18-month period, which includes residents' fees, miscellaneous revenues, and tax levy proceeds received in 2003 total \$1,338,982.45. Expenditures including capital improvements and expenses for the 18-month period totaled \$1,658,669.80. This leaves a cash flow deficit of \$319,687.35.

The next document Chris presented showed the total operating/capital expenses for 2003. It also showed the revenues collected for the 12-month period. The annual deficit is \$44,462.17 for the operation of the County Home. They translated the expenditures including capital expenses into a daily rate of \$61.78 per resident, which converts to a monthly resident cost of \$1,853.38. Using only the operating costs translated into a daily rate of \$54.18 and a monthly rate of \$1,625.55 per resident.

The fourth sheet showed the cash flow for the first 18 months based on six-month increments with a cumulative cash flow deficit of \$319,687.35.

The next document lists and graphically presents the actual monthly resident cost from 1997 to 2003 and also shows the charged monthly rate for that same period of time. In May of 2002 the Board of County Commissioners voted to increase the monthly rate structure for new admissions only to \$1,580 per month that was the approximate monthly operating cost at that time.

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The last sheet Chris explained was a summary of the current monthly income or payment ability of the 51 residents at the Home on 1/20/04. He asked if there were any questions.

Brian Feron asked if the original levy budget was calculated to include capital improvements. He realizes some of them were added after the levy passed. Chris said there were capital improvement dollars included in that estimate, but not to the extent that they realized since last year.

Skip Sipos asked if the purpose of this presentation is a warning or a recommendation to raise the CH monthly rate. Chris said he typically consults with Lynn Remington, Joyce Farnsworth, and John Stricker on an annual basis and makes a recommendation to the Board of County Commissioners regarding the rate structure. This had not been done since 2002 so the purpose was for discussion. At some point the County Home Administrator and the Commissioners will need to address what the current rate structure should be for all residents.

Brian Feron pointed out that very few residents are able to pay the full rate and the purpose of the levy was to fill that gap where the county was subsidizing. Bearing in mind that none are paying the full rate right now, he does not think that raising the rate would accomplish anything. Chris said there are various schools of thought. One is to establish the actual cost of operation and state that residents who can afford to pay the cost of staying there, pay it. The other one is to keep it somewhat arbitrarily lower and incrementally increase it throughout the years, which is historically the method that has been used.

Brian commented that paying the 2002 actual cost is about a 40% increase over the monthly charge and the 2003 actual cost would be an even higher percentage. He feels that the voters would not go for a large rate increase knowing that most residents cannot pay more anyway. He recognizes what the trends are pointing to, but they also need to keep in mind that the capital improvements will decline, which would improve the financial situation.

Skip asked Lynn Remington how they determine how much a resident pays per month. Lynn said residents are required to present verification of their income and resources. This contributes toward their share and they get \$25 to \$40 personal allowance per month. Joyce pointed out that a resident could start out with money to pay their cost, but the increased rate would just mean using up their minimal resources faster.

Cheryl Scheck asked if they had any comparison rates. Lynn said that Assisted Living runs about \$1,600 a month.

Skip asked if the Commissioners were looking for a recommendation from the County Home Advisory Council. Chris said that the Advisory Council members were being asked to review the matter, but if they did not feel it was appropriate to make a recommendation, that would be acceptable.

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When asked about the current operational costs and receipts compared to the 5-year levy projections from CY02, Chris said revenue projections were done in CY02 for the purpose of establishing the millage for the levy. It was a method of trying to project how much revenue would be received from residents and backing that out of the operational costs to determine what the tax levy need was. These various documents should not be viewed as comparable items. If by some odd occurrence the residents could afford their actual monthly cost, the Board of Commissioners has to review if there is excessive revenue from residents' fees and decrease the millage for all county taxpayers for subsequent fiscal years. That is how the system is set up.

Skip asked how shortfalls are subsidized now and it looks like they are projecting shortfalls. Chris said the shortfalls are subsidized from the General Fund. He explained that the deficits would occur until the fourth year of the levy. For cash flow purposes the revenue is being "lent" basically to the operations by the General Fund.

Brian said that over time the situation should theoretically improve as the money from the levy comes in as planned. Chris said that they anticipated a natural cash flow problem in the first couple of years of the levy so there is no surprise and they were prepared to deal with it. He stressed that cash flow is not an issue of concern and was not the focus of the documents presented.

Skip asked if the shortfall for 2003 is more or less attributed to the fact that the levy was only collected for six months in 2002. Chris said that the 18-month operating deficit is mostly attributable to the six-month lag in collections. A CY03 \$44,000 deficit is attributable mostly to expenditures above and beyond the budgeted anticipated amount in capital improvements.

John said there are some receivables that will be added as well. Chris added that there are receivables from eight residents that are funded through the ADAMH Board (Mental Health Board), but because of lack of a contract being executed those billings and revenue collections go back to July 2002. Chris asked Carol Shockley to request this contract from an attorney in her office. Brian asked how much money this involves and Lynn said about \$24,000.

Skip said if they wanted a committee to crunch some numbers to see if they want to make a recommendation, he would volunteer to work on it. Brian said that might be a good job for the Finance Committee to look at and see if it really makes sense for them to make a recommendation. Chris said that at some point Joyce, the Commissioners, John, and he will want to review the rate structure because it was not intended to be at \$1,100 forever. Brian questioned straying from the \$100 increase annually contained in the levy projection materials. Chris again stated that the levy projections were based on certain historical trends and that there was not necessarily an intended use of those projections in terms of establishing future resident rates.

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Brian said that it is the Council's duty to the voters to be an oversight group. Although they do not have legal authority, they certainly have a lot of input from many viewpoints around the community. They will come up with a plan after they have had time to look at all of their revenue options. That will be the first item on the Finance Committee.

Ken Miller said that even if they make a recommendation for a set rate to cover cost – bottom line is that no one that is here can afford to pay it unless they win the lottery. They have an obligation to look at what is out there and what can they do to improve the operating cost of the facility. The intention of the County Home was to always be a place where people who couldn't afford to live elsewhere had a place to live, but that if certain residents could afford to pay the actual cost, then it should be collected.

John opened the floor to questions and Chris offered to supply the Finance Committee with any information they might need for their study. He further explained that no one ever figured they would recoup a substantial amount of revenue from a rate structure change. What they are saying in part is that the actual cost of the operation is X. If a resident has the resources in the amount of X, should the resident be paying that amount? Tax dollars are used to subsidize those who cannot pay. That is the intent of looking at the actual cost – not that they would ever be able to generate even a token amount of revenue because the residents do not have it and the Commissioners realize that.

Some questions and comments from the audience were:

Barb Flowers, Lafayette Township, said the fringe benefits appear to represent 1/3 of the amount of salaries, which is much higher than the Board of Elections where she works. She asked what was included in fringe benefits and is the Workers Compensation rate excessively high. Chris said CH fringe benefits include health insurance, Public Employees Retirement System (PERS), Medicare, and Workers Compensation. The WC rate structure is exactly the same as the Board of Elections. Part of it may have to do with the number of family healthcare plans in one facility versus another. He said if Barb if was comparing the Board of Elections line item budget, it just shows health insurance and they do not see the other associated costs. He explained to her where those were located on her budget.

Al Junke, Brunswick, asked how much the county spent to subsidize the County Home in 2001, the year before the levy. Chris said the county subsidized \$448,401.72 in 2001. Al said the county will subsidize \$42,000 (\$42,546.38) this year so the cost to the county has gone down substantially. County Homes are not supposed to be self-sufficient. Chris said the purpose of the levy was to try to get self-sufficient in terms of not having to subsidize the operation from the General Fund. The subsidy this year had to do with the number of capital expenditures above and beyond what was anticipated and some revenues that had not been received and credited. Al said that the \$42,000 deficit could go away, but they probably could not pick up the six-month delay period amount in 2002 and Chris agreed.

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Barb Flowers said there isn't any business that takes capital improvements and amortizes them in one year. They said they should not be levied against the residents anyway. It is an expensive building and the improvements should have been done years ago. She feels that capital improvements should have been removed from the calculations. Chris said that is why he showed the two calculations – one operating and one operating/capital. He suggested they do not focus on the \$42,000 since it is not the intent of the conversation and they are not trying to make up the \$42,000.

Al Junke said at one point there were 55 residents and now they are down to 50. He speculated that it might be a symptom of raising rates and going beyond what is reasonable for a lot of people. Pushing a high rate may drive people away. Chris said that it is a marketing issue. In conclusion, Chris said that these are the costs and the money will be generated by the end of the levy in five years. Chris left at this time.

Marketing Plan Committee

The group discussed forming a Marketing Committee to research the resident mix and those that inquire about residency. They would like to create more awareness of the Home as well.

Administrator's Report

Joyce Farnsworth reported that the cookbook put out by the Friends of the County Home is now available. Out of the original 300 received there are 30 left. The cost to join this auxiliary is \$2 for an individual and \$5 for a family. With two recent admissions, they have 51 residents at the Home this month. There have been 15 inquiries. The Laundry Aid position has been filled and the Activity Director is on leave. Some employees have taken advanced computer training and CPR training and there have been a couple of employee meetings.

There was a discussion about increasing the number of residents at the County Home and Lynn said they could handle 55 to 56 with the current staff depending on their level of care. If they went full to capacity of 60 they would need more employees on second and third shifts for safety reasons and liability. There is only one cook for all the residents. Phebe Simpson asked if they had per diem staff to fill in when necessary, and Lynn said they are working on a system with their part time employees. John said the "intermittent employees" still get Workers Comp by law, Medicaid, and pension benefits. Healthcare benefits are not offered to part time employees so it saves a substantial amount. They are looking into having two intermittent positions – one in nursing and one aid. He said they are hard to find. Tanya Rodgers left during this discussion.

Calendar of Topics for 2004

Brian said tonight's discussion has brought some issues to the forefront. The first one is to continue the Finance Committee. The 2004 Finance Committee will be Chaired by Cheryl Scheck and consist of Jo Becks, Skip Sipos, and Tanya Rodgers.

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The newly created Marketing Committee will be made up of the following people: Chair Ken Miller, Tanya Rodger, Phebe Simpson, Emily Muscatello, and Randy Schmidt. Brian said that the Friends of the Medina County Home have many good ideas to help augment marketing. They help out at the Medina County Home & Flower Show for example. Joyce suggested they look into doing an informational brochure similar to the Wayne County Home brochure.

Admissions Committee for 2004 will be Ken Miller, Skip Sipos, Tanya Rodgers, Cheryl Scheck, and Emily Muscatello. They will be working with Carol Shockley from the Prosecutor's Office.

Brian asked the Committee Chairs to establish meetings and notify Pam Vereb so they can be advertised. The next CH Advisory Council meeting will be Wednesday, February 25th at 6:30 p.m. at the County Home.

Public Input

Al Junke said that he is the Treasurer of the Friends of the Medina County Home. He gave an update of some things they are planning to do. They sold about 300 cookbooks to start a nest egg to help the Home. They got a "Wish List" from Lynn Remington. They are approaching \$5,000 and hope to make an impact. In the spring or early summer they are planning on having a Garage/Rummage Sale and will be looking for small donations.

Joyce said that the County Home received contributions in memory of a woman that died.

Adjournment

The meeting adjourned at 7:48 p.m.

Respectfully submitted,
Pam Vereb, Secretary