

**COUNTY HOME ADVISORY COUNCIL MEETING
WEDNESDAY, MARCH 23, 2005**

Chair Ken Miller called the meeting to order at 6:35 p.m. at the County Home with the following Council members present:

Present: Ken Miller, Skip Sipos, Brian Feron, Craig Enoch, Randy Schmidt, Randy Bing, and Emily Muscatello

Absent: Jo Becks, Cheryl Scheck, and Phebe Simpson

The following Ex-officio members were present: Lynn Remington – County Home Superintendent.

Ken said this special meeting was called so that Council could talk about the proposed cost for residential care for the County Home. There is a Public Hearing coming up next Monday, March 28th at 10:30 a.m. at the Commissioners' Hearing Room. He said Commissioner Hambley told him there would be discussion to charge approximately \$1,800 per month per individual for the cost of operations for all residents. They currently have two rates - \$1,580 in effect after 2002 and \$1,100 for those who were admitted before that rate increase. The projected plan from the Finance Department was an increase of \$100 per year over the life of the levy to provide enough funding for the County Home to cover staff costs, home improvements, operating costs, and meeting residents' needs. At this point, the question becomes - is there a need for the increase to \$1,800? He asked Council if they wanted to make a recommendation as a committee to the Commissioners.

The group discussed two handouts prepared by the Finance Department. The average daily bed cost is \$61.78 (\$1,853.47 per month) based on a daily average of 50 residents. They have 51 residents right now. It drops down to \$51.49 (\$1,544.44 per month) average daily resident cost based on a daily average of 60 residents.

Skip Sipos asked what they did last year, and Ken said they discussed it last year and they did not see any reason to make a recommendation to increase it. They tabled the whole process. The \$100 per year increase was already in place and the adjustments had been made. They only had two full paying residents at that time and that is about what they have now, per Lynn Remington.

Skip said the average monthly bed costs and average residential bed costs are based on budgeted amounts (projected expenditures for 2005) – not actual amounts because the “actuals are a moving target”.

Brian said they run very close to the actual figures for 2004. He said another discussion point is that the rate that is established does not change the admittance guidelines for the spend-down process. They devoted a lot of time to that process so that they were aware of how the “full pays” and not “full pays” work. Based on that, unless something significant changes in the mix

**COUNTY HOME ADVISORY COUNCIL MEETING
WEDNESDAY, MARCH 23, 2005**

of the residents, things are not any different today to make a recommendation for anything different.

Lynn said some residents that have money are paying \$1,100 and then a new resident coming in is paying \$1,580. The State Auditor brought that to her attention. The group discussed what the current residents pay per month – 6 pay \$1,000, 7 pay \$1,100, 3 pay \$1,580, 4 pay nothing, 5 are on disability and 2 are on pending disability, 2 were denied disability, and the average for the rest is \$600. Sixteen of the 51 residents pay a substantial portion of their cost.

Skip said he was told two or three meetings ago that no one pays the full amount. He asked for the tapes from the last five meeting. He said he had a discussion with a Commissioner yesterday and now he recognizes he was not even close to being accurate so he can understand the opposite point of view. He needs correct information and data to make informed recommendations.

Brian said having what each resident pays might be a good statistic to have on an ongoing basis, and Lynn said she would provide it in her monthly report. Brian said this may all go back to the levy time when they realized how the millage was established, and it was calculated to compensate for the number of residents who could not afford full pay. Anything at full pay was almost considered “gravy”, and they knew the mix would always be changing. The best thing they could do was to use their trend line. The important thing here is to look at how the issue was sold to the voters: the reason for the levy was to offset the difference between those who can pay and those who cannot. The object behind the levy was to sustain the Home and make it a haven for people who had no other option.

Ken said the simple answer is to get the daily population up, which would reduce costs.

Brian said the levy money is also affording some of the capital improvements. That is an important distinction to make - whether the capital improvements were funded through the residents fees or the levy proceeds (that go into the same pot). Improvements are optional things, but they did them because nothing had been done for so many years and it was “catch up” to make the building more modern and comply with codes. He does not know if that justifies raising residents’ rates.

Randy Schmidt said if they raise the rates it might eliminate people being able to come in to the Home if they can’t afford the \$1,800. The capital improvements should have been done a long time ago, and that is probably a reason that the figures look skewed. They are trying to make it presentable to attract more people. If they raise the rates it might scare people away.

Brian asked about how the population works with regard to income.

**COUNTY HOME ADVISORY COUNCIL MEETING
WEDNESDAY, MARCH 23, 2005**

Lynn said they have five residents that the ADAMH Board compensates the difference to equal \$1,100 each. They have an annual contract with the County Home.

Brian asked if the ADAMH Board would then pay the additional \$700 if the rate were increased.

Lynn said they could not increase the rate until the end of the contract with the ADAMH Board that ends June 30, 2005.

Brian said after that date they could raise the ADAMH Board rate \$700 per month, so times 5 residents that would be an additional \$3,500 per month.

Ken said the ADAMH Board is state funded and some county general funds.

Lynn said they had seven ADAMH Board contract residents last year, and she lost two this year.

Skip said the ADAMH Board is in the process of building another building.

Brian asked what the rate is for the new building and it was not known.

Skip said if the ADAMH Board turns the person down for subsidy after June 30th, and then they apply at the County Home, they would have to take what the person can afford to pay. Obviously, they are eligible so they are going to get 100% of the money less \$40.

Brian said it should be known if the state takes the five County Home residents into the new ADAMH Board facility, if it is going to cost taxpayers more, and how much more. Brian wonders if this is part of the equation as to why this came to a head again.

Skip said it was explained to him today that if costs go up, they should raise the rates.

Ken said they should consider what was promised to the taxpayers.

Brian said they have been watching the trend lines for 2-1/2 years to make sure they do not exhaust the levy funds prior to renewal. He does not know if raising the rates, even on the books, would change anything.

Skip thought it reasonable to back out the levy proceeds from the operating costs to get a factor because the taxpayers said that is what they want their tax dollars to go for. This is basing the average daily cost on actual expenditures, or close to it, and they have an additional revenue stream.

Brian said they took a half million dollars off the Commissioners back that was going to the County Home and it was applied to whatever the Commissioners chose to do with it. He thinks

**COUNTY HOME ADVISORY COUNCIL MEETING
WEDNESDAY, MARCH 23, 2005**

every department is probably under the same scrutiny right now and if they aren't – why not? He asked where the half million dollars went that the County Home tax levy saved the county.

Skip said if it takes \$1.1 million to run the County Home and they are being handed levy proceeds that ought to be lowered. It is not a reasonable representation of the cost.

Lynn asked if the revenue coming in was included in the operating budget.

Brian said there are indirect costs that are not charged back to the Commissioners for all the services they provide.

Skip said he wanted to make sure the group takes action so he moved that they recommend to the Commissioners that they keep the rate at the present rate. The County Home Advisory Council Finance Committee will take a hard look and make a more detailed recommendation before the next fiscal year.

Brian said no action last year should have been in the form a recommending to take no action This would formalize it a little cleaner and clearer.

Skip said they needed to have all the fiscal information so they can know more to make a more informed decision, or it is a waste of time. Council should be a part of the budget and if a recommendation is getting made outside the advice of this organization, something is wrong with that. There are a lot smart people on this Council that do this type of thing professionally every day. To be ignored, in his opinion, is unconscionable.

Emily seconded the motion and said she thinks Skip's recommendation is right and would like to take it one step further. They have to have all the facts broken down. Maybe there needs to be more categories in the budget that break it up.

Randy Schmidt said he agrees with Brian that the money was there for the Home and the people in it from 1894 until they needed the levy in 2002. Now that they have the levy, he wonders where that money is going instead of to the Home.

Emily told Council that many rules and regulations in the residential care business are changing. New Life safety codes can cost thousands and thousands of dollars. They need to see things like this coming in the future because a lot of the rules will become mandatory for County Homes as well. For example, if a life safety code comes out from the State Fire Marshall that says on this date you have to have this, the County Home has to come up with the money. She said Skip's point is well taken so they need to take a better look at the finances these days and information needs to be more detailed than before.

**COUNTY HOME ADVISORY COUNCIL MEETING
WEDNESDAY, MARCH 23, 2005**

Ken said they have a motion and a second to make a recommendation to the Commissioners to keep the rate the same and to make a recommendation to the Commissioners in time for the next budget process.

Brian read from the February 25, 2004 County Home Advisory Council meeting minutes under "Committee Reports, Finance – Rate Evaluations". It said, "Cheryl Scheck reported that Tanya Rodgers, Brian Feron, and she met on February 12th. They discussed the following options for the current CH rates:

- 1.) No change in the monthly rate;
- 2.) An increase of \$100 per month for every year since 2002; and
- 3.) Set additional rate based on the monthly actual cost without considering the capital improvements.

Cheryl said they had several questions they felt needed to be addressed before they could consider a rate change". Brian read the questions. Further it said, "Cheryl said they are recommending no change in the monthly rate at this point. They suggested Council look at increasing the number of residents to 55. The Finance Committee can go back and revisit the issue in three to six months. At this point they can see if bringing in additional people brings the cost per resident down. They also suggested starting a positive marketing approach. They should explain all that is included in the County Home's monthly rate because oftentimes it is compared to Assisted Living where there are extra charges for everything."

Brian said unfortunately it was not officially in the form of a motion, but it is contained in the minutes of the County Home Advisory Council meeting and it make it very clear what their position was last year. They need to make sure minutes are carefully read and qualified.

Skip said that the Commissioner quoted some things from the minutes so she had read them.

There was no further discussion. All voted AYE and the motion was approved.

The meeting adjourned at 7:30 p.m.

Respectfully submitted,
Pam Vereb, Secretary