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| LCMHS Board Minutes |
| Date  | June 19th 2024 |
| Time  | 5:04 pm |
| Meeting called to order by  | Zach Williams  |
| Meeting Adjourned | 6:47 pm |

## In attendance

Board: Mike Feulner, Mary Anne Lewis, Cindy Morin, Susan Kimmerly, Chip Troiano, Stacey Madden, Geoff Lindemer, Zach Williams

LCMHS Staff: Jennifer Stratton, Amy Fitzgerald, Meg Bickerstaff

Notes: Emily Roemer

## Introductions

* No Guests

## Approval of minutes

The minutes from May’s meeting were approved.

FIRST: Chip

SECOND: Geoff

APPROVED: as amended, Susan abstained.

DISCUSSION: Updated sentence from Children’s standing committee regarding audit. Explained that the motion was highlighted for the bank.

## CEO Report

* Finance Update
	+ Derek Hoy, CFO from NCSS, notified us that he was unable to assist us while we are searching for a CFO. Derek was concerned with the cashflow situation. Jennifer had a meeting with many senior leaders from NCSS to have a deeper discussion about their concerns. Their main concern was the need to map Sage and myAvatar.
		- She has also been in contact with Emily Hawes, the commissioner of DMH. At the time of their first conversation, Commissioner Hawes didn’t offer any additional steps to take and was satisfied with how Jennifer was working to resolve the financial concerns.
		- Jennifer met with leadership from Washington County about Sage. They are assisting with the mapping, but also offered to add us to their platform, which is completely mapped.
		- NCSS is providing support for the billing side of the finance department. Jennifer, Savi van Sluytman and NCSS are meeting weekly to review AR and AP processing. The goal is to time the processing of invoices with payment received more efficiently.
		- Savi Van Sluytman, former LCMHS CEO and CFO, is assisting LCMHS staff throughout this process. Jennifer is in contact with DAIL and DMH.
	+ Jill Mazzone is working as finance team lead, working closely with Savi. Savi is working closely with the other agencies. Jill and Darcy Bohannon went to Washington County for training/mentoring.
	+ Initial review of billing has shown that we have left about $200,000 on the table from insurance payments in the past 6 months. About $1,000,000 may have been uncollected DS related payments. We can re-collect on the past 6 months. Some flexibility has been granted for payments since 2021 for Medicare.
	+ The contract is for Savi to work about 20 hours a week. She has been working more than that in her initial time with us. Jennifer has also been spending a lot of time getting this new process in place.
	+ Cashflow is tight. We have not used funds from the money market account yet. There is a large payment due to DMH. Jennifer is working with NCSS to determine if the amount owed is correct and is speaking with DMH. Savi noted that this payment should have shown up in previous audit reports
	+ DAIL use to pay the DS waiver twice a month, which is about half our income. This payment is now once a month, on the 3rd week of the month. Sometimes this payment occurs on the Friday after our Thursday payroll. Jennifer has reached out to DAIL about returning to a twice a month payment.
	+ Staff is being trained on reconciling DS waiver payments to get a better understanding of the financial situation.
	+ The “Nines Report” shows errors in billing documentation. Under the new process, they have found about $400,000 worth of errors.
	+ Jill is monitoring the AR account weekly. There is about $1.5 million in the operating account today.
	+ There are currently no up-to-date financials. Mike requested Geoff’s assistance on getting up to date financial reporting (AR, AP, Money Market balances, etc.). Have Savi provide input on what metrics would be most useful in lieu of full financial reporting; create KPIs. Providing any progress on the status of the DMH re-payment would be helpful to the board.
	+ If we can compare actuals to what was predicted in that budget, we can keep an eye on how that measures up monthly. The previous budget was not set up in details.
	+ We asked for an extension on submitting the FY25 budget. Savi is working on this.
	+ Is there data on what we are leaving on the table being short staffed? What is the economics of using what staff we have to get every dollar available for services?
	+ Mary Anne and Chip expressed concern about the financial situation and lack of financial reports. Zach expressed confidence in Savi to produce high quality information. Priority is to get a good grasp on revenue and cash flow monthly, then drill down to more detailed reports.
	+ Jennifer to continue to reach out to the commissioner of DAIL and is possibly contacting Senator Westman.
* Operations: Amy Fitzgerald is now supervising some of the staff Jennifer was supervising.
* In September, a line of credit for $500,000 was discussed. Geoff Lindemer discovered that this line of credit was not implemented. There is a commitment letter from February that has now expired. The board acknowledges that this credit was approved and not implemented and that the board would like this line of credit to be in place.
	+ Jennifer noted that the investment account is just under $900,000 and it appears about $50,000 in fees may have been taken from the account from a transfer between investment and money market accounts. Jennifer is reaching out to the bank to clarify.
	+ There is not enough collateral in the investment account to support a $1,000,000 line of credit as payroll is about $400,000 every two weeks. This does include benefits.

**MOTION:** The board is authorizing Jennifer to request the reinstatement of the line of $500,000 on terms to be negotiated.

First – Geoff Lindemer

Second – Susan Kimmerly

Unanimously approved. Stacey Madden abstained.

* Union Negotiations are underway with Robyn Daley and Amy Fitzgerald taking the lead for the agency. The agency’s proposal includes changes to the health care plans, that includes a cost shift on claims costs, deductibles, copays, etc. The contract ends June 30th. Negotiations are scheduled through August. There has been an emphasis on the cost of the current benefits package on the agency financially. Other changes would have to be considered if the plan stays as is.

## Finance Report

* See above

## Committee Reports

* Adult – no discussion
* DS – no discussion
* Children – no discussion

## NEW Business/old business

* Strategic Planning – no updates
* Board longevity – Mike did provide a proposal to Jennifer to discuss with the Commissioners.
* Meeting with Joe Wooden of Copley Hospital – Joe offered to purchase the building near Copley. Jennifer noted that we are not renewing the lease on the Plaza and Amy is working on a space planning committee utilizing the LCMHS building near Copley. Jennifer is considering an appraisal and accounting of improvements made to the building. Mike offered to assist in the appraisal process.
* Evaluating Executive Director – Susan providing slide from presentation. The process of evaluation should have started when Jennifer took the position. Cindy - We don’t currently have access to the information needed to do a quantitative evaluation. Board members are interested in creating a subgroup to shepherd the evaluation process. Zach in support of the subgroup creating a plan to review with the full board.
* Jennifer has leave time expiring. General policy is that on July 1st, any hours in excess of 150 hours is lost. As of June 30th, Jennifer has 108 hours over the 150 hours. Per Jennifer and Amy, during COVID and times of staff shortage, they extended the expiration until September 30th. Discussion expressed that it is important for Jennifer to be able to take her leave time and not lose hours she hasn’t been able to take. Jennifer will also accrue 6 weeks of leave over the next year. In Amy’s career, CEO’s have been able to cash out leave.

Motion: On 7/1/24, Jennifer will retain any leave hours over 150 hours. Jennifer’s leave balance will be reviewed every 3 months.

First – Susan

Second – Mary Anne

Unanimously Approved.

* A CFO Candidate has been interviewed by many groups within the agency. The determination is that he will not continue the interview process. Amy has one candidate from the Howard Center’s recent CFO search. There is also a candidate being brough forward from a recruiter. Savi is staying on until a CFO is hired.
* Status of Board Officers – Zach is committed to staying as president until the financial situation is more resolved. Elections are in September to begin terms in October.

## Next meeting(s)

* Strategic Planning
* Board Longevity
* Review Jennifer’s leave in September.
* July 17th – 72 Harrel St. Morrisville, VT – Conference Room