

Budget Meeting of the
Hillsborough County Board of Commissioners
April 16, 2013
Bouchard Building, Goffstown, NH
Minutes of the Public and Non-Public Session
(Not Official Until Approved by the Board and signed by the Clerk.)

Present: Comm. T. Pappas, Comm C. Holden, Comm. S. Ziehm, P. Boardman, M. Rioux, E. Robinson, M. Castonguay, D. Reidy, G. Wenger, and L. Stonner

Call to Order

Motion: To reconvene the meeting. Motion by Comm. Holden, second by Comm. Ziehm. Motion carried.

The budget meeting reconvened at 9:08 a.m.

Comm. Pappas asked for a moment of silence out of respect for those who were affected by the bombing in Boston the previous day.

Comm. Holden led the pledge to the flag.

Comm. Pappas recognized Mr. Moorehead and Mr. Lencki from the Nursing Home. She reiterated that the Board is facing a difficult challenge in developing the budget; revenues are down; Surplus will be less, so the Board is asking departments to be as frugal as possible and that they prioritize and describe their projects.

Mr. Moorehead reviewed the Nursing Home budget for the benefit of the Board.

Mr. Moorehead addressed a budget comparison; he noted that:

- budgeted net Revenue for FY 2013 is \$276,845;
- budgeted net Revenue for FY 2014 is expected to be \$69,717,

He noted that factors affecting the Revenue will be:

- Private pay census will be reduced from 48 to 41 residents per day;
- there is a decrease in Medicare Part B revenues from \$660,000 to \$500,000/yr. due primarily to reduced Part B referrals and increased Medicare denials, which have been significant and take time to resolve;
- there is a decrease in the Medicare daily rate from \$440 to an estimated \$425, based on a change in 2011 and the Sequestration that is expected to hit in March;
- the Medicaid rate is basically flat
- the FY 2013 Expense budget was reduced an additional 2.1% at the Executive Committee level subsequent to the Nursing Home reducing its revenues at the Sub Committee level to arrive at the break-even point;

He indicated that with the exception of an increase of \$142,000 in Health Insurance and an increase of \$137,000 in the Retirement line, the Nursing Home's expense budget has not increased over the previous year.

Mr. Moorehead noted that there are cuts in Administration and Maintenance lines due to cuts in staff. He added that the proposed budgets reflects a full-time Environmental Services position in Housekeeping at \$47,000 as a combined in-house position in lieu of having 2 positions under the Outside Services line at a current cost of \$90,000; the final decision will depend on the next Fitz Vogt contract.

Mr. Moorehead added that 3 departments have requested additional part-time or per diem positions as a result of ramifications from the Affordable Care Act relative to those eligible for benefits. He added that it is likely that food costs will increase by approximately \$100,000, and that is not reflected in the proposed budget. He added that he will hopefully have the cost prior to the end of the budget process. Mr. Lencki noted that Fitz Vogt has lost money on food cost for the last couple of years.

Mr. Moorehead explained that Bed Tax revenue has not come in for the year; a payment for the months of January through March has not been received yet, but is due. There was discussion relative to Capital items; Mr. Moorehead added that it may be possible to cut the tilt kettle in Dietary in the Capital line. He noted that there may be a need for a transfer relative to Bed Tax expense, and added that many beds need to be replaced and a transfer may be needed at the next meeting to cover the rental of a wound vac and oral surgery services. Mr. Lencki noted that the Capital budget includes cameras to monitor the outside parking lot and every door; there have been problems in the parking lot that need to be addressed. Mr. Moorehead added that Capital items are depreciable. Mr. Moorehead explained that for every dollar the Medicaid rate is increased, it will add \$68,255 to the bottom line. The current budget is based on a daily Medicaid rate of \$147/day. He added that he should have more information relative to the rate in late May or early June.

Mr. Lencki explained that he is talking to the Gas Company relative to their extending the gas line past the Complex; the County will only be responsible for the cost of running the line from the meter to the boiler; once the County is using gas, there will be a savings in the Fuel line; he added that the County is now using natural gas at the Nursing Home with fuel oil as a backup; it has cut the cost almost in half.

Mr. Moorehead explained that 1 position is being reduced to \$1 in the Maintenance Department; he reviewed the Outside Services line and explained that this line includes the Fitz Vogt contract, which includes a management fee, a Director and Assistant Director of Dietary Services and 2 registered Dieticians. He added that Other Supplies and food are also contract items. Mr. Moorehead is requesting 6 new positions to assist the departments in keeping hours below 30/week; he requested that those positions be budgeted at \$1.

The Board addressed several motions relative to the Nursing Home:

Motion: To add 6 new positions in Food Service and to fund the positions at \$1. They are:

- Position # 900912023
- Position # 900912024
- Position # 900912025
- Position # 900912026
- Position # 900912027
- Position # 900912028

Motion by Comm. Holden, second by Comm. Ziehm. Motion carried.

Mr. Moorehead requested that the Board of Commissioners approve new positions in Nursing funded at \$1.

Motion: To add 3 new LNA positions in Nursing and to fund the positions at \$1. They are:

- Position # 301212042
- Position # 301212043
- Position # 301212044

By Comm. Ziehm, second by Comm. Holden. Motion carried.

Motion: To approve 2 new LPN positions in Nursing for 20 hours each, and to fund the positions at \$1. They are:

- Position # 302012007
- Position # 302012008

By Comm. Ziehm, second by Comm. Holden. Motion carried.

Motion: To approve Position # 303712009 for an RN part-time position in Nursing and to fund the position at \$1. By Comm. Holden, second by Comm. Ziehm. Motion carried.

Mr. Moorehead discussed the Laundry function; supplies are contracted through Fitz Vogt, but added that they believe that function can be handled in-house, and if that full-time position is filled by June, there will be a savings. It is currently budgeted at \$90,000 for the contract person or \$47,000 if the position is filled in-house.

After Mr. Moorehead reviewed several other lines, the following motions were made:

Motion: To approve a Director of Environmental Services position and to fund the position at \$1. The position number is 206641001. By Comm. Ziehm, second by Comm. Holden. Motion carried.

Motion: To approve reducing Line 4416-7010 in Environmental Services for position number 206641001 by \$45,999, and to fund the line at \$1. By Comm. Holden, second by Comm. Ziehm. Motion carried.

Motion: To approve adding 2 new part-time Activities Aides and to fund the positions at \$1. Positions are # 304112003 and 304112004. By Comm. Ziehm, second by Comm. Holden. Motion carried.

Motion: To reduce Beauty & Barber line 4419-7390 by \$200 and to fund the line at \$800. By Comm. Holden, second by Comm. Ziehm. Motion *failed*.

Mr. Moorehead noted that an increase in the Outside Services relates primarily to rental fees for wound vacuums and oral surgeon's fees. He noted that they have not been able to find an oral Surgeon that will accept Medicaid, so when those services are needed, the Nursing Home has to absorb the cost.

Mr. Moorehead reviewed the Rehab lines; he noted that positions were added in the last fiscal year's budget as a means of increasing revenue; they included:

- A full-time Physical Therapist
- A full-time Occupational Therapist
- A part-time Speech Therapist

Mr. Moorehead addressed Revenue and noted that while the ProShare estimate is up at the State level from \$750,000 to \$2,750,000, the Quality Incentive (Bed Tax) payment is relatively flat; the State took 25% of that away in 2013, and took it all away from the hospitals, which is part of the lawsuit that is preventing case management-Medicaid to kick in because there are no participating hospitals.

Comm. Pappas requested that Mr. Moorehead join the Board in Non-Public Session for his annual evaluation. The Board took a short break.

Motion: To move into recess. Motion by Comm. Holden, second by Comm. Ziehm. Motion carried.

The meeting recessed at 10:42 a.m.

The meeting reconvened at 11:00 a.m.

Motion: To reconvene the meeting. Motion by Comm. Ziehm, second by Comm. Holden. Motion carried.

Comm. Pappas entertained a motion for Non-Public Session.

Motion: To move into Non-Public Session consistent with RSA 91-A:3 (a). Motion by Comm. Holden, second by Comm. Ziehm. Ziehm-yes, Holden-yes, Pappas-yes. Motion carried.

The Board moved into Non-Public Session at 11:01 a.m.

The Board met with Mr. Moorehead.

The Board moved out of Non-Public Session at 11:25 a.m.

Motion: To move out of Non-Public Session. Motion by Comm. Holden, second by Comm. Ziehm. Motion carried.

The Board reviewed the budget and discussed possible areas where cuts could be made including insurance benefits, part-time employees, and whether there are any non-essential employees. Comm. Pappas noted that she does not believe that the County should cut more employees or insurance benefits to balance the budget. She added that the remaining employees are carrying a heavy load and she cannot imagine cutting more employees. The Board agreed that it would work toward not exceeding a 5% increase in the amount to be raised by taxes. Further discussion ensued relative to potential things that might be cut. Comm. Ziehm added that a priority for her is maintaining safety and security. Mr. Wenger noted that many of the projected purchases are obligations that have already been put off, and continuing to do so will likely create emergency situations that are not budgeted, but that will need to be dealt with immediately. The Board reviewed budgets for all departments.

Mr. Wenger noted that the challenge the Commissioners face is truly daunting. Consideration was given to:

- increasing the Revenue by \$1,000,000
- funding the Human Services budget at \$1,015,000

- using \$2.75 million dollars from Surplus
- assuming a 5% increase in the amount to be raised by taxes
- including an insurance “holiday” of \$400,000 based on recent information from Primex

Motion: To reduce Department of Corrections line 4230-7170, Education & Conference by \$2,000, and to fund the line at \$27,300. Motion by Comm. Ziehm, second by Comm. Holden.

Discussion ensued; Mr. Wenger noted that this line is contractually driven.

In light of new information, Comm. Holden withdrew her second. The motion failed for lack of a second.

The Board agreed to support its earlier decision to send a letter to the Towns and Cities relative to the Community Service program; there will be a fee of \$1,000 for each week of service provided, and the minimum will be for one week.

Mr. Wenger informed the Board that he will attempt to get the Department Heads and Elected Officials together the following day to share the Board’s goals for the budget and to look at options they might bring forward relative to reducing the budget. He will return to the Board with feedback its next meeting.

Motion: To Recess the meeting. Motion by Comm. Holden, second by Comm. Ziehm. Motion carried.

The meeting recessed at 12:42 p.m.

Approved June 12, 2013

Comm. Sandra Ziehm, Clerk
Hillsborough County Board of Commissioners

Date