**Minutes January 12, 2016**

**Ouachita Parish Health Unit – Community Room**

**1650 Desiard Street, Monroe, LA 71202**

**5:30PM**

**Call to Order**Meeting was called to order and a quorum was met. Prayer was led by Dr. Monteic Sizer.

**Adopt Agenda***:* AMotion was made by Melba Sandifer and seconded by Lorraine Reed to approve the January 12, 2016 Agenda. Motion passed unanimously.

**Adopt Minutes of December 8, 2015:**AMotion was made by Kathy Waxman and seconded by Lorraine Reed to approve/accept the December Minutes. Motion passed unanimously.

**Board Members**

**Present:**Dr. E. H. Baker, Thelma Merrells, Lorraine Reed, Mike Shipp, Melba Sandifer, Kathy Waxman and Alisa Lear.

**Absent:** Lekeisha Powell and Terri Spence.

**Ownership Linkage-Recognition of Guests**: Laura Nettles - Families Helping Families.

**Northeast Delta HSA staff members**: Dr. Monteic Sizer, Delores Harris, Carlton Holmes and Avius Zimmerman.

**BOARD EDUCATION/ ENDS Items for DISCUSSION-**

**Upcoming Events/Community Action:** Laura Nettles reported that she is working on State Farm Education Contract that is due on April 24, 2016. Avius Zimmerman reported that Northeast Delta Human Services Authority will be planning a Tobacco Cessation Summit in the coming year.

**GOVERNANCE PROCESS/EXECUTIVE LIMITATIONS for DECISIONS –**

**ED –**

**Financial Planning and Budgeting -** *Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board’s Ends priorities, risk fiscal jeopardy, or fail to be derived from a multiyear plan.*

**Financial Condition and Activities** -*With respect to actual, ongoing financial condition and activities, the ED shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in ENDS policies.*

**ED Report Submitted 01/05/16 -** A Motion was made by Kathy Waxman and seconded by Lorraine Reed to accept the ED report as submitted. Motion passed unanimously.

In addition to the report submitted by ED, Carlton Holmes presented a monthly updated financial condition of NEDHSA as of December 31, 2015. It was reported that invoices that are received from contractors will have to be received in Northeast Delta Human Services Authority offices by the 5th of the month. They are then stamped as received and Baton Rouge will pay the invoice 30 days from the stamped date on the invoice. Motion was made by Melba Sandifer and seconded by Mike Shipp to accept report. Motion passed unanimously.

The Lincoln Parish Police Jury appropriates a small amount of money yearly that is to be specifically used for services and expenditures ‎for persons residing in Lincoln Parish. Avius Zimmerman presented the board an explanation of the Processes and Procedures that have been put in to place for Northeast Delta Human Services Authority to properly handle this account. Dr. Sizer suggested (due to impending budget cuts and NEDHSA's self-generated funding targets), the Board may consider a proposal to other Parish Police Juries for similar requests help with service provision their regions. He went on to say that NEDHSA is treating the Lincoln Parish funding model as a pilot program and is taking precautions to ensure it's done correctly.

**Status Update on Strategic Initiatives –**

Avius Zimmerman reported the 5 year plan approved by the board May 2015was updated in this report on page 7 per Avius Zimmerman. Motion to accept by Kathy Waxman and Dr. E. H. Baker seconded. Motion passed unanimously.

**BOARD –**

**2016 Meetings** – Handouts were given to board members for 2016 board meetings and agenda prep sessions at the December 8, 2015 board meeting. The February meeting had to be changed to February 16, 2016 due to a State Holiday and the November meeting has been changed to November 15, 2016 due to elections held at our meeting site.

**Presented Slate of Officers/Election of Officers** – Kathy Waxman presented to the board the Slate of Officers for 2016. The following members have agreed to serve as officers until January 2017:

*Melba Sandifer – Chair person,*

*Kathy Waxman – Vice – Chair Person,*

*Alisa Lear – Secretary*

*and Michael Shipp - Treasurer.*

A Motion was made by Mike Shipp and seconded by Lorraine Reed to accept the nominations as submitted. Motion was passed unanimously.

**Executive Session - ED 6(Six) Month Performance comments –**

A Motion was made by Michael Shipp and seconded by Lorraine Reed to go into Executive Session after finishing up the remaining items on the Agenda. Motion was passed unanimously.

**Board Management -**

Board Development/ Parish Outreach **–** *Ongoing*

Travel Forms due Monthly

**Adjourn –** *Next Meeting –* ***February 16, 2016 -*** *Ouachita Parish Health Unit – Community Room, 5:30PM*

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| *Executive Director’s Report and 2 pages from NEDHSA Financial Officer attached to January minutes.*  **Executive Director’s Report**  **Dr. Monteic A. Sizer**  **1/5/2016**  **A. Financial Condition and Activities:**  Accordingly, the ED shall not:  1. Use any Non-Appropriated Funds in a manner that does not comply with Non-Appropriate Funds Policy.  a. Funds are handled according to internal NEDHSA policy, established accounting standards, and according to intended purpose. I have our Fiscal and Corporate Compliance Directors finalizing policies and procedures specific to the Ruston account in Lincoln Parish. This is the only account that is funded by a Police Jury in our region and is the only one solely dedicated to Lincoln Parish as mentioned at the December 2015 NEDHSA Board meeting.  To provide more context, this account was established and historically maintained at the Ruston Clinic under the control of that former clinic manager before NEDHSA became an official LGE and while the region was under DHH's control. This account was frozen (no activity) until the recent Ruston Clinic rededication event this fiscal year.  Per NEDHSA policy, modifications or introductions of proposed policies must be presented with rationale to the Executive Director before it is presented to NEDHSA’s Executive Management Team. Both have been done to date. The Director of Corporate Compliance has gathered feedback from Executive Management Team members and will be presenting the final recommendations to the Executive Director for adoption. The Directors of Finance and Corporate Compliance will present the modified policies and procedures to the Board.  Also as mentioned during our December 2015 Board meeting, as NEDHSA’s funding is cut by the state, we may need to ask regional Parish leaders to support services in their respective communities like the folks in Lincoln. We are using this as a pilot so my team is currently establishing the appropriate infrastructure for this needed funding reality.  2. Fail to maintain integrity in expenditures of categorical funding services.  a. The Executive Directors maintains integrity in categorical funding services. Financial staff examines monthly categorical expenditures and provides the Executive Director monthly reconciliation reports. These reports are also provided to the Board by the CFO.  3. Acquire, encumber, or dispose of real property in violation of state and federal law.  a. All property is handled according to state, federal law, and agency policy. Asset reports will be provided to the Board.  4. Fail to aggressively pursue receivables after a reasonable grace period.  a. All receivables are actively pursued within allowable time periods. Additionally, the finance team evaluates monthly receivables and determines appropriate strategies for maximizing collections. The Executive Director also receives a monthly report of receivable activity and 2 | P a g e  tactics to ensure concentrated receivable collection efforts. NEDHSA’s billing team is currently pursuing this current 15-16 fiscal year’s outstanding collections and plans to continue pursuing 14-15 fiscal year outstanding collections as well. NEDHSA’s Billing Manager presented an overview and discussed collections strategies during the December 2015 Board meeting.  **Executive Limits: Financial Planning and Budgeting:**  Accordingly, the ED shall not allow budgeting which:  1. Contains too little information to enable credible projection or revenues, separation of capital and operational items, cash flow, and disclosure of planning assumptions.  a. We were asked by DHH to reduce our budget down from $15,557,202 to $13.5 million and we did. This fiscal year, DHH and DOA cut nearly $200,000 from our state general fund dollars (state appropriated dollars). This $200,000 was reduced from the budgeted $13.5 million dollar reductions plan we submitted to DHH. Our plan accounted for all state general fund dollars being available to us. We are forced to find additional cost savings to compensate for this mid-year budget cut. I anticipate additional cuts coming due to the state’s and DHH’s budget crisis. The CFO will present monthly income vs. expenditures statements during the upcoming Board meeting. The CFO will also present our proposed cost savings and layoff avoidance plan.  Again, and as you know, we submitted a $13.5 million dollars budget to DHH for this fiscal year. We will NOT spend more than $13.5 million. Currently, I have my entire executive team examining any and all additional cost savings. Additionally, I will be looking at a number of scenario strategies that are consistent with the $13.5 million dollar plan we submitted to DHH. I have already significantly reduced operational costs and not filled critical staff positions. I will be deciding other reduction measures after the assessments have been conducted and presented to me. Since staff and fringe benefit costs are our costliest budget items, I have my Director of Human Resources and CFO looking into layoff avoidance measures with Civil Service.  2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period. All budget expenditures are projected based on revenue projections.  a. At no time are expenditures projected to exceed expected appropriated funding levels. A modified FY15-16 budget plan was developed to ensure revenues are more than expenses. This plan was provided to the Board and DHH. Additionally, NEDHSA’s CFO and members of the finance team conducts monthly reviews and reconciliations to ensure income remains higher than agency expenses. The CFO briefs the Executive Director of NEDHSA’s finical position weekly and provides the Executive Director a monthly financial report. The CFO will also be presenting current budget data to members of the Board.  b. I, along with staff, continue to identify and implement operational cost saving measures to our current FY15-16 budget. In addition to consolidating phone, fax lines, reducing supply purchases, not filling vacant staff positions, etc., we have also begun to consolidate pharmacy and drug screening costs. With these cost saving measures, we would have cut our agency to the marrow. Our biggest expenses are in the areas of staff salaries and benefits. Keep in mind; we 3 | P a g e  already have 16 unfilled positions in which we are entitled to fill per the legislature. I have not filled these positions as a cost savings measure due to these positions being totally funded by state general fund dollars. These unfilled positions limit our ability to serve more of our region’s people. I have and will continue to make my concerns known regarding this to DHH.  3. Provides less for board development, training and monitoring during the year than is annually set forth by the Board and is in compliance with the Cost of Governance policy and the operational plan.  a. All applicable governance policies/plans are followed to ensure compliance. $2000 has been budgeted for Board professional development.  **A. Executive Limits: Global Executive Constraint:**  The ED shall not cause or allow any practice, activity, decision, or organizational circumstance that is either unlawful, imprudent, or in violation of community accepted business, governmental and professional ethics.  1. As the ED of NEDHSA, I base my decisions on factual information, according to organizational and programmatic best practices, within the guidelines as stipulated in the Governance Manual, according to professional and ethical standards, and based on governmental and business principles.  **Other Relevant Information:**  LGE Executive Directors recently found out that DHH would be processing vendor and contractor invoices 30 days after receipt. This sudden change was shared without prior notice and could potentially negatively impact some of our regional providers due to their limited budgets and almost nonexistent cash flow systems. My staff started notifying our vendors and contractors relative to DHH’S sudden decision last week. We have been able to get hardship exemptions for some our contractors and vendors the last invoice period. It is solely at DHH'S discretion if they will grant these same vendors a hardship waiver. DHH has communicated that it would not make any exceptions regarding vendor payments after this month.  When LGE Executive Directors asked about the sudden vendor payment change, DHH officials communicated that it was a cost savings measure they had to implement effective immediately. As a reminder, DHH is currently running a budget deficit in one of its major programmatic areas and are able to earn more interest on deposits by stretching out there payment of bills. However, their strategy will likely negatively impact all LGEs and our associated vendors and contractors alike.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  ***2 pages following utilized by Carlton Holmes at January Board Meeting*** |
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