



MINUTES
Governing Board of Directors
February 27, 2018

Directors Present:

Brad Burnside (by phone)
Cindy Maude
Don Grosdidier
Gene Bauer
Jane Fevurly

Ken McGovern
Lucia Orth
Matt Brown
Patrick Schmitz (by phone)
Steve Glass

Directors Absent:

Barbara Ballard
Reed Dillon
Elizabeth Sheils

Staff Present:

Amy Warren, Chief Operations Officer
Cindy Hart, Development Director
Scott Criqui, Human Resources Director
Tracy Kihm, Finance Director
Karen Lowder, Executive Assistant, temp
Kathy Nichol, Executive Assistant

I. Order: Brad Burnside called the meeting to order at 7:30am.

II. Public Comment:

Brad Burnside welcomed Commissioner Nancy Thellman and turned the meeting over to her. Thellman thanked the Board for allowing her to attend and share details about how the upcoming ballot initiative to expand the jail and create a crisis center would look, if passed. Points made by Thellman, include:

- Douglas County Commissioners, the Sheriff and its mental health partners have been working on this initiative since 2014.
- The ½ ¢ sales tax requested by the County and approved by the State Legislature would provide \$10 million in new funds for both expansion of the jail and creation of a Crisis Campus with expanded services for all citizens of Douglas County. For the consumer, that would mean spending an extra 50¢ for every \$100 purchase.
- \$6 million of that new money would be dedicated to mental health services. Of that \$6 million, \$750,000 would go toward paying off the debt service on the construction of the crisis center. The remaining monies would be used for new mental health programs and services for all citizens of Douglas County. New services would include:
 - Integrated Care Team and Peer Support Project

- Expanded detox services for uninsured
- Increased psychiatry capacity
- Substance abuse treatment & Wraparound Services for women
- Detox and sobering units
- 23-hour observation/short term stabilization
- Transitional housing for mental health & substance abuse disorders
- Permanent Supported Housing
- Implementation of Zero Suicide initiative
- Access for all Douglas County residents to online recovery tools
- Implementation of a Mental Health Mobile Crisis Response Team & Crisis Call Center
- Expanded WRAP programs for Eudora, Baldwin City, and Leecompton
- \$4 million of new funds would go to expanding the jail, which would include construction of a wing for a clinic-like setting for individuals with mental health issues. Right now, the program rooms which were intended for counseling/consultation are being used to house inmates due to a shortage of cells.
- The jail expansion would also include separate pods for housing women according to the nature of their crimes. Currently all women are housed in one unit and there is no separation between violent offenders and non-violent offenders.
- 30% of the current jail population is made up of individuals from outside of Douglas County; mostly from Kansas City and Topeka. The sales tax would allow for a way to generate funds from those visitors/consumers outside of Douglas County. If a property tax were implemented, not only would it be more expensive, but Douglas County residents would bear the burden for the entire initiative.
- Douglas County Jail is a model across the state for utilizing alternatives to incarceration, through pre-trial release, utilizing the behavioral health court and house arrest program, as well as other diversion programs. In Douglas County, cash bonds have all but been eliminated, except for those with a previous history of multiple arrests or violent crimes.
- The current jail was built 20 years ago for a maximum capacity of 196 individuals. The jail is now housing approximately 240 individuals. Of those 240 individuals, 194 inmates are in custody for high level felonies. Of those, 15 inmates are being held for murder. There are currently only 14 maximum security cells in the jail.
- Due to overcrowding, county taxpayers spend over \$1 million each year to send approximately 50-60 inmates to other jails around the state, moving them farther from reentry resources and their families.
- Recidivism rates were decreasing when reentry programs were accessible at the jail, but due to overcrowding, those who would benefit from the reentry program are now being sent to other locations. Violent offenders cannot be transferred elsewhere, thus recidivism rates are climbing.

- The jail will be expanded even if the ballot initiative fails. Construction will be funded on a cash basis from County funds.

Discussion followed. Brad Burnside expressed his thanks to Nancy Thellman for speaking with the Board. Thellman exited at 8:05 AM.

Patrick Schmitz updated the board with information regarding Citizens For A Better Douglas County. This campaign, being organized with input from community partners, will help educate the public about programs and services that will be available if the ballot initiative is approved. Bert Nash contributed \$5,000 in unrestricted endowment funds to the campaign, as did other community partners who were able.

III. Consent Agenda:

Brad Burnside asked for a motion to approve the consent agenda, which consisted of the January 23, 2018 Governing Board Meeting Minutes; so moved by Steve Glass; seconded by Gene Bauer; approved by all.

IV. Reports:

a. Brad Burnside, Chair

Brad Burnside noted that there will be 2-3 members ending their Governing Board terms in April. He reminded the Board that the nominating committee is made up of the Chair, the Chair-Elect, the CEO, and two other Board members. Burnside shared that Gene Bauer and Lucia Orth have agreed to serve on the Committee along with he and Schmitz. This committee will nominate and make recommendations to the Governing Board to fill these vacancies.

b. Patrick Schmitz, CEO

Patrick Schmitz stated that his activity this past month has been focused on the upcoming ballot initiative and how that information is being shaped. In addition to participating in Benevon training, (as will be reported on by Cindy Hart), and the many operational changes happening, (as will be reported on by Amy Warren), the coming months will continue to focus on the upcoming ballot initiative.

c. Amy Warren, COO

Amy Warren shared that there are several operational changes happening at the same time. The main goal of these changes is to increase access to Bert Nash services for the public. A focus will also be made to increase access to children's services. In addition, Bert Nash is advertising for 4.2 FTE Mental Health professionals to be located at Lawrence Memorial Hospital. Douglas County will fund 75% of the cost for a Peer Support Supervisor that will oversee all Peer Support Specialists in the County.

Warren shared that Bert Nash is piloting a program with Headquarters Counseling Center regarding follow-up calls to clients in crisis. This is part of the short-term intervention, 24/7 outreach for those clients who do not use the Intensive Outpatient Program (IOP). Bert Nash is increasing training for tobacco cessation through a health department grant and is working towards a smoke free campus to further health and wellness. Warren shared that Patrick Schmitz will bring that item to the Board at their March meeting. The two other tenants in the building, Visiting Nurses and the Lawrence Douglas County Health Department, are both in support of this endeavor.

d. Tracy Kihm, CFO

Tracy Kihm, CFO, presented a new format for reporting financial summary comparisons. Kihm talked through key indicators she reviews each month, one of which is cash. Cash is higher in December due to the sale of mutual funds and matured CDs, which is now being held at US Bank and will be discussed later in the meeting. Fee revenues are increased due to reinstatement of the 4% Medicaid reimbursement rate cut. Other items which increased revenue for the month include a \$30,000 refund on a deposit from Locum Tenans, a contract provider of psychiatric services; income from the sale of a leased vehicle to former CEO, David Johnson, totaling \$24,000; and a \$36,000 incentive program payment from United Healthcare. Kihm shared that there will be some months when revenue will be overstated due to the timing between the billing of services at full fee and then making adjustments when the reimbursement is received.

Kihm noted the 2017 outstanding accounts receivables are higher than 2016 due to higher fee revenues and changes in how Medicaid fees are billed. Accounts Receivable seems high, but compared to the last five years, December of 2016 was abnormally low. Kihm further explained the process by which receivables are collected internally before sending them to an outside collection agency.

Brad Burnside asked if there were any questions related to the December financials and hearing none, asked for a motion to approve the December financials; so moved by Lucia Orth; seconded by Cindy Maude; approved by all.

e. Cindy Hart, Development Director

Cindy Hart gave an overview of the Benevon workshop attended by several in Houston, where best practices were identified and goals were discussed. Brad Burnside offered that, from his perspective, the goals should come from the Board and not necessarily from the workshop attendees. Cindy Hart stated that Bert Nash has the challenge of determining what 'legacy of sustainable funding' means, as well as defining short and long-term goals. Hart talked through the ongoing work of the Pipeline Team, the Cultivation Team and the Building Bert Nash Team.

Cindy Hart talked through the Development Report which shows a snapshot of 2017 numbers compared to the last five years. Information shown includes fundraising dollars received; totals raised from breakfasts, end of year appeals, and Dave's Dream; fundraising expenses; and total numbers for Discover Bert Nash presentations and attendees. It was also noted that although Dave's Dream is no longer actively soliciting donations, it is still an option. The goal for Dave's Dream is \$1 million, but the current amount raised, \$616,204.38 is enough to fund the Mental Health First Aide trainer position for a number of years. There have been no applicants to this position as yet.

Brad Burnside noted that, since Bert Nash does not pay for advertising directly, expenses like the \$16,000 for the breakfast video could be considered as part of 'advertising'.

V. Business Items:

a. Annual Endowment Payout

Brad Burnside shared that the annual endowment payout into the operational fund has been completed for 2018, which amounted to approximately \$208,000. He stated further that the Investment Advisory Committee (IAC) raised a question of whether the funds should be disbursed on an automatic basis if the budget was not dependent on the funds for operations that year. The Finance Committee met and discussed the question but recommended that it be taken to the Governing Board for discussion. Burnside offered that the funds could also be placed in some type of special needs fund for use on specific projects. Burnside said he is not looking for an answer today, but asked the Board to give it some thought for next year's allocation process, since the 2018 allocation was already built into the budget.

A motion was made by Lucia Orth to keep the 2018 allocation in operational funds this year; seconded by Gene Bauer; approved by all.

b. Cash Reserves

Brad Burnside noted that, per Bert Nash policy, cash reserves may be invested in stocks. He said that mutual funds originally purchased under the guidance of Maurice Joy and invested for operational purposes, were recently cashed in at a significant gain. The revenue from that was combined with the revenue from a group of matured CDs totaling \$1.4 million, which is currently being held at US Bank. The Investment Committee and Finance Committee have both agreed and recommended investing these cash reserves into brokered, laddered, FDIC insured CDs to insure a less risky and more secure option. Discussion followed.

Brad Burnside asked for a motion to invest the excess operational funds into brokered, laddered, FDIC-insured CDs; so moved by Gene Bauer; seconded by Lucia Orth; approved by all.

It was agreed that Tracy Kihm will work with a financial institution that offers a brokered and FDIC insured program to decrease the risk of the investment and further the portfolio diversification.

c. Land Transfer

Patrick Schmitz reported on the status of the land transfer. He reminded the group that when the land to the north of Bert Nash was originally acquired, the intent was to partner with Heartland on an integrated clinic. The intent of the property now is to partner with Douglas County and other health partners in the community to provide crisis services. Attorneys Mike Andersen, with Barber Emerson, (representing Bert Nash), and Brad Finkeldei, (representing the County), have drafted a tentative contract. There is reversion language written into the contract, should the ballot initiative fail, along with language addressing repurposing, if Douglas County wants to utilize the land in another manner. Discussion followed. Further clarification will be obtained by Patrick Schmitz regarding the 'term' of the contract, as well as how long the agreement is open.

Brad Burnside asked for a motion to proceed with the land transfer pending a finalized contract agreeable to Bert Nash; so moved by Cindy Maude; seconded by Jane Fevurly; approved by all. Burnside stated that he will bring the finalized contract back to the Board.

d. Pioneer Award - vote

Cindy Hart shared the singular nomination for this year's Pioneer Award Celebration, which usually occurs in April of each year.

Steve Glass offered a motion to name the nominee as winner of the Pioneer Award for 2018; seconded by Don Grosdidier; approved by all.

Patrick Schmitz and Cindy Hart will contact the recipient, schedule the meeting date in April, and inform everyone of that date.

e. Executive Session – CEO Evaluation

Brad Burnside asked for a motion to adjourn the regular meeting and enter into Executive Session at 9:05 AM to discuss the CEO's evaluation; so moved by Gene Bauer; seconded by Jane Fevurly; approved by all.

Brad Burnside called for a motion to adjourn the Executive Session and resume the regular session at 9:11 AM; so moved by Jane Fevurly; seconded by Lucia Orth; approved by all.

VI. Other:

a. Move April 24th Governing Board Meeting – Conflict with CEO/staff

Following discussion, it was determined there will be no Governing Board meeting in April, as the annual Pioneer Award Celebration constitutes that monthly meeting.

VII. Adjourn:

Brad Burnside asked for a motion to adjourn the meeting; so moved by Lucia Orth; seconded by Don Grosdidier; approved by all. The meeting adjourned at 9:15am.

The next Governing Board meeting will be March 27, 2018 at 7:30am in the Bert Nash Board Room.

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