

Scioto County Board of Developmental Disabilities
Finance Committee Meeting Minutes
for January 13, 2014 at
Vern Riffe School, Room 210

6:15 PM

1. Roll Call: Present were Committee Chairman J. Michael Thoroughman, Klaire Purtee and Rodney H. Barnett. Attending *ex-officio*: SCBDD Acting Superintendent Julie Monroe, Director of Finance Matt Purcell, Director of Adult Services Kelly Hunter

2. Discussion: Financial Forecast

The purpose of this discussion was to revisit and update the five-year forecast that the Board approved in June 2013. The forecast consisted of three documents, including one showing the differences between the currently anticipated costs for 2014 and the projected amounts sent to the County Commissioners in June. The other two pages projected expenses and revenues through the end of 2017. All three were reviewed during the course of the meeting.

Mr. Purcell and Mrs. Monroe explained that the expenditures in the forecasts, as well as much of the revenue, were based on both sides of the ledger remaining at current levels. Spending cuts, revenue reduction, cost increases, etc. would all have an impact on the figures being presented, but there is really no way to anticipate all the possible changes.

The first topic of conversation was an explanation on the relevancy of carryover. Mrs. Monroe and Mr. Purcell explained why \$1.5 million was the sum that they wanted to have in the Board's General Fund at the beginning of the year and available to be carried over at the end of the year. The actual available amount for January 2014 was closer to \$1.3 million. It was noted that \$100,000 of that was designated to pay the quarterly match for Medicaid services. Mr. Purcell said it was not necessary to have a whole quarter of the budget available January 1 because there is an assumption that other funds will be trickling in during the first quarter.

In reviewing the five-year forecast that had been prepared, Mrs. Monroe noted that at the beginning of 2015, the carryover would only be around \$612,000. Without new funds coming during that year, will the Board begin 2016 with a deficit of over \$441,000.

Mr. Purcell and Mrs. Monroe were able to expound on some known variables they had taken into account, including an increase in tax equity funding and the planned termination of the tangible personal property tax as part of County Boards' revenue streams. Scioto County DD is expecting to receive more tax equity funding, because when its numbers were applied to the formula used to figure it, Scioto was the poorest of all 88 counties.

One expenditure increase that was not anticipated in 2013 occurred when the Ohio Department of DD altered the way they calculate waiver match payments. After underestimating the cost to such a degree as to cause the Department cash flow problems, the method was adjusted and costs to county boards jumped up. Mr. Purcell has accounted for such a possibility in 2014 and is using a 'transfer out' line item to hold funds that could be applied to this cost increase. If not needed for this purpose, the funds can be moved from the General account and into the Residential Services account and/or the Capital account to cover unexpected costs relating to waivers, facilities, equipment, repairs, etc.

3. Discussion: Appropriations

Mr. Purcell had prepared a document showing the budgets of each individual department. These figures supported the amounts in the overall appropriations request.

Based on this information, a short list of cost saving options had been prepared. Mr. Purcell and Mrs. Monroe emphasized that they were not advocating any of these options in particular nor were they ordered in any meaningful way. However, they made it clear that cost reductions have to be made throughout 2014 to leave the agency in a better position to start 2015. Mr. Purcell proceeded to review measures that had been taken since 2011 which have reduced costs or kept them steady.

Mrs. Monroe and Mr. Purcell were advocating for the Committee to consider that new funding would be needed before 2016. A number of different time frames and scenarios were debated. The discussion moved on to when the forecast could be reviewed again before a decision had to be made about going on the ballot to ask the taxpayers for additional funds. Waiting a few months would allow the Committee to review the figures again and still give the Board time to apply to be on the November ballot. The discussion digressed to include the cost of providing adult services for a while, before returning to the projections.

*****Action Item*****

Then Mr. Barnett made the motion that the Committee recommend to the full Board approval of the appropriations as presented, to be revisited no later than April 2014. Mrs. Purtee seconded.

*****Action Item*****

Mr. Barnett also made a motion that the Committee recommend to the full Board approval of the five-year forecast as presented, to be revisited no later than April 2014. Mrs. Purtee seconded. Both motions were approved unanimously.

Regarding cost saving measures, the Finance Committee agreed to revisit this topic in April.

4. Adjournment: The Committee adjourned by acclamation at 8:05 PM

Prepared by Margaret Compton, Board Clerk

Submitted by:

Stephanie Childers, Recording Secretary