

Scioto County Board of DD Finance Committee Meeting Minutes for December 9, 2013

Vern Riffe School Building Room 210, 4:00 PM

1. **Roll Call:** Present were committee members J. Michael Thoroughman (Chair), Klaire Purtee, and Rodney Barnett. Attending ex-officio were Director of Finance Matt Purcell, Director of Adult Services/STAR, Inc. Director Kelly Hunter, STAR Board Member Mike Arnett, Dublin Management Consultant (for the SCBDD) Richard Bourgault and board member Richard L. Bolin.

2. Discussion: Health Insurance

At 4:03 the meeting was called to order and there was a discussion amongst the committee members as to how the SCDD Board would share increased cost (3%) of the health insurance premium in 2014. Mr. Purcell presented historical data, as well as cost estimates, of the financial impact that the increase would have on both the Board and the employees. The Committee discussed a few options of sharing the cost, including the Board assuming the whole increase, sharing the increase evenly, or something in the middle. In the end, a sharing arrangement was chosen.

Action Item

The committee will recommend to the full Board that the Board take on 85% of the premium including ½ of the increase of the employee's share of the premium.

3. Discussion: STAR, Inc./SCBDD relationship

Rich Bourgault of Dublin Management opened this part of the meeting by introducing himself and explaining his role in exploring options of independence for the STAR entity. Mr. Bourgault distributed two documents: A map of Ohio that indicated the status overall of county boards in regards to non-profit independence. He then distributed statute ORC 5126.0221 and explained the statute in general terms and the statute's intent, which is that county boards not employ people who also work for contracting entities, as this is an inherent conflict of interest.

STAR Board member Mike Arnett and STAR Director Kelly Hunter went on to explain the goals of STAR in the process of moving toward independence, indicating that STAR wants to be financially self-sustaining (maintaining five months of payroll = \$500,000). Mr. Hunter then discussed STAR's proposed agreement (which was e-mailed to participants before the committee meeting, as well as distributed at the meeting). The document contained proposed fees for services that included a cost increase over the current amount being paid to STAR. Mr. Hunter added that there would be a 48% "markup" that would encompass payroll taxes, employee benefits, Workers' Compensation payments, and administration fees. It was requested by STAR Board that Mr. Purcell have the County Board's budget figures done by Thursday of this week in preparation for the STAR Board meeting next week. Mr. Purcell stated that all efforts would be made to make sure that the budget was done, noting that it may take more time than that due to the crucial nature of this agreement, revenues in transit, and other factors.

The Finance Committee agreed to recommend that SCBDD would, in good faith, commit to the current funding level (\$100,000) for the month of January 2014. This would allow more time could be had, if needed, to make sure the terms in the agreement are based on the most accurate financial information possible. Mike Arnett then stated that STAR, Inc. can be “flexible” in terms of funding received.

The Committee then discussed different independence models that have been implemented throughout the state (from slower to more expedient processes) and some of the issues that surrounded them. It was noted that there may be twenty different county boards in this process and they could very well be using twenty different models in getting to the end goal of independence. The Committee then discussed public perception and how the transition may be perceived by county taxpayers, wherein both parties agreed that this is very crucial to how we proceed.

Mr. Purcell offered up the possibility of the Committee meeting again before the Board meeting. This suggestion was rejected on the basis that further discussion on this topic may be had at the SCBDD Board Meeting on Thursday, December 19.

4. Other activity:

- A. The Committee charged Mr. Purcell with three tasks:
 - a. Find language that could be included in an agreement that would not lock the County Board into funding services if there is a lack of funds (ex: future levy failures, a decrease in federal/state funding, etc.)
 - b. Contact the committee members with information related to the budget
 - c. Attempt to develop the budget by Thursday, December 12.
- B. Kelly Hunter was charged with the following task: Develop a statement to add to the SBDD Strategic Plan that related to STAR exploring options of independence.

5. Adjournment: Mr. Thoroughman adjourned the meeting by acclamation at 5:31 PM.

Prepared by Matt Purcell
Submitted by

Stephanie Childers, Recording Secretary