



McHenry County
MHB Finance & Audit - Public Meeting
MINUTES

April 10, 2024, 5:00 PM
Mental Health Board - Main Floor Conference Room
620 Dakota St., Crystal Lake, IL 60012

Members Present: Lindsay Keisman, Adam Carson, Ray Lapinas, Amy Rath, Carolyn Schofield

1. CALL TO ORDER

Meeting called to order at: 5:00PM by L. Keisman.

R. Lapinas attended telephonically and arrived at 5:40pm.

Mover: Carolyn Schofield

Secunder: Adam Carson

To allow Ray Lapinas to attend telephonically.

Approved by Voice

2. PUBLIC COMMENT-VIA CALL IN OR 24-HOUR ADVANCE NOTICE TO BGEENEN@MC708.ORG

No public comment.

3. APPROVAL OF MINUTES - FOR ACTION

Mover: Adam Carson

Secunder: Amy Rath

Approve previous minutes

Approved by Voice

3.1 Minutes of the March 19, 2024, Finance and Audit Meeting

4. TREASURER'S REPORT FOR DISCUSSION / FOR RECOMMENDATION

4.1 Finance Report for the Period Ending March 31, 2024

M. Duran gives an overview of the report and highlights the following.

- There are a few agencies reporting high utilization at this point in time. Any time there is higher utilization data is analyzed by staff and sometimes an audit is triggered.
- Adam Carson asks about the underutilization of funds for Community Health Partnership and M. Duran states that program is POP and the position is currently vacant. A. Carson asks about the underutilization of NISRA and M. Duran states that NISRA programs mainly run in the summer, and it will catch up come June and July.
- Carolyn Schofield asks where the information regarding programs that are funded by sources other than MHB and what is the expectation of distribution of funding with multiple funding sources. Which funding gets used first or are both to be utilized equally. L. Rizzi states that in this can be found in Foundant program but the majority of the programs funded by the MHB are solely funded by MHB. C. Schofield asks if the Clearbrook Choice program is solely funded by MHB. M. Duran states yes but there are 2 additional clients that did not have funding that are using MHB funding, this was not originally expected, and this is why they are utilizing higher. C. Schofield states that the agencies that are overutilizing will return for additional funding and would like to know how MHB knows if the other revenue sources are being utilized before the request. M. Duran states FFS claims need a coordination of benefits so the agency needs to vet clients to see if there are other funding sources before they utilize MHB. C. Schofield states she is speaking of other funding sources agencies are receiving and M. Duran states the majority of our programs are solely funded by MHB and FFS programs typically do not have another source of funding. Higher or over utilization will typically trigger an audit and K. Frisk can speak further to the process and encourages a meeting with K. Frisk to help understand the factors for overutilization. C. Schofield states that this should be communicated to board members and the path should be adjusted for agencies along the way. L. Keisman really encourages board members to sit down with K. Frisk to see all the unique explanations regarding the data.

4.2 Opioid Fund Finance Report for the Period Ending March 31, 2024

M. Duran gives an overview of the report with no issues noted.

5. OLD BUSINESS - FOR DISCUSSION / RECOMMENDATION / APPROVAL

5.1 Update on FY25 Capital Projects (Handouts)

M. Duran states that most of the projects will be building and grounds maintenance. There are two projects that would be considered FY25 capital projects, CRC bathroom remodel which initial quotes are showing \$250,000 to \$300,000 and possibly the roof repairs. There are holding numbers in the budget.

There are dollars in the draft budget for the new chairs. The maintenance of all three partitions/airwalls will be under \$2,000 and can be maintained in FY24.

5.2 Discussion - 5-Year Analysis of Sales Tax Revenues

M. Duran refers to the chart on page 15 of the agenda packet. After discussions with the county, the amount the MHB would receive would be different than these projections. The MHB would fall somewhere in the middle of these 2 examples.

Sales tax collections for MHB will begin in July 24.

Sales tax is paid out monthly for the amount collected 2 months prior (July collection paid in September) MHB will be receiving a tax of 1/4%

Comparable taxes collected by County - RTA 1/4 cent (more than 1/4%) and CST (1/4% but has less taxable items than MHBs)

Taxes collected for MHB will be less than the RTA collection but more than the CST collection

MHB will collect 5 months of Sales taxes in FY24 - July thru November to be paid out in Sept thru

January.

The amount collected in FY23 during the same months for CST was \$4.8 million

5.3 Discussion - Proposed Changes to Fund Balance Reserve Policy

The committee reviews the current policy with the suggested red-lined additions. There is committee consensus on the proposed changes.

5.4 Discussion - Capital Funding Request Policy

L. Keisman reviews a Capital Funds Request recommendation/proposal:

- Take whatever last FY fund balance was left over would be earmarked for capital projects/midyear service needs
- Do a midyear request from the agencies that are MHB funded and are overutilizing FFS. Request all to make proposals at the same time to evaluate the proposals as a whole with some flexibility for others at other times with the exception of true emergencies.

Committee members discussed the proposal and there is an overall consensus to bring this recommendation to the full board for discussion.

M. Duran adds that for budget planning, there will be a year lag for the unused funds and states by using the dollar amount from 2 years prior would allow to allocate a budget line and reduce the need to request funds from the county when needed. For example, unused funds dollar amount from FY24 would be in the FY26 budget as a line item.

5.5 Discussion - Fiduciary Payments, Monitoring and Auditing Policy

M. Duran states that at the Board Development Day A. Carson requested the highlighted item on page 20 be amended to require 2 signatures and sign thru DocuSign. M. Duran suggests that this sentence be removed completely as there is never a need for immediate payments. Committee agrees and the recommendation will go to the full board for discussion and approval.

5.6 Financial Forecasting - Draft Format and Issues Noted

M. Duran and L. Keisman have had discussions regarding financial forecasting. M. Duran states that it is very difficult to forecast with the type of funding the MHB does and that is not MHB operations.

Committee member review the model presented on page 22 of the packet and all agree that this is an adequate report format for presentation to the county board and suggest remove the last column and just add a note stating our projections are based on a 5% increase and that the color coding is very helpful.

5.7 Clearbrook CILA Funding Request

C. Meschini states this is an emergency situation in her opinion and this request was in place before the new proposed capital funds request policy.

M. Duran states there are available funds in the budget and there is potential for more funds after checking for budget efficiencies.

Committee members agree that the funds from the prescriptive loan program be moved as this program is on hold and being recreated possibly in the next fiscal year.

Mover: Adam Carson

Second: Amy Rath

To Recommend the Clearbrook CILA Funding Request to the full board for vote.

6. NEW BUSINESS - FOR DISCUSSION / RECOMMENDATION / APPROVAL

6.1 FY25 Draft Budget (Handout)

M. Duran gives a quick overview of the proposed budget. There are still a few items needed from the county to complete the budget. There may be adjustments to lower capital projects after the inspection of the roof.

6.2 Discussion - Investing Fund Balance

L. Keisman states that M. Duran had a conversation with our county treasurer regarding opportunities to take larger sums of money and put it in longer term investments with higher rates, but MHB is already getting better rates and MHB can revisit this in the future.

7. ADJOURN

Mover: Adam Carson

Second: Carolyn Schofield

To adjourn the meeting at 7:00 pm.

Approved