



MINUTES
Governing Board
June 26, 2018

Present:

Brad Burnside
Lucia Orth
Patrick Schmitz
Jane Fevurly

Kathy Brown
Steve Splichal
Martha Gage
Ken McGovern
Tina Rosenthal

Absent:

Barbara Ballard

Staff Present:

Stephen O'Neill, CFS Director
Cindy Hart, Development Director

Tracy Kihm, Finance Director
Kathy Nichol, Executive Assistant

- I. **Order:** Brad Burnside called the meeting to order at 7:30am.
- II. **Consent Agenda:**
Brad Burnside asked for a motion to approve the consent agenda, which consisted of the May 2018 Governing Board Meeting Minutes; so moved by Ken McGovern; seconded by Lucia Orth; approved by all.
- III. **Reports:**
 - a. **Brad Burnside, Chair**
 - i. Brad Burnside welcomed newly appointed board members Martha Gage and Tina Rosenthal (city appointee) as this was their first board meeting.
 - ii. Brad Burnside welcomed Stephen O'Neill to Bert Nash as the new Children and Family Services (CFS) Director. Stephen told the group about himself and his wishes to build a culture of compassion and kindness and to look for opportunities to expand CFS services.
 - b. **Patrick Schmitz, CEO**
 - i. Addition: CEO Report—Schmitz reported no cuts will be made to the county funding for BNC. Until the county budget process is complete, no further information will be available for what the next steps are on the failed ballot initiative.

Integrated Care Team, (Heartland, DCCCA, BNC, LMH), has hired three FTE Behavioral Health Crisis Counselors and has just over one FTE more to hire. BNC is continuing to work on how to increase psychiatric services—even looking at using telepsychiatric services as a group with the ICT to get a better deal from a telepsychiatric company. Dr. Dadson is also reviewing medical services to see how productivity could be increased.

A BrightEHR update/demo will be made to select BNC staff on July 9th with a rollout to be completed by March 2019. The biggest changes are that it will be a cloud based system rather than installed on each computer and can be used on multiple devices.

Schmitz also noted several other items: Stephen O’Neill is working on a proposal for Eudora WRAP; KanCare has elected to go with Aetna instead of Amerigroup—who is disputing the decision; BNC is in the process of comparing insurance companies for renewal of insurance on July 1st—Ballpark figures are \$80K; a draft of the Governing Board Bylaws and the orientation process are still being worked on and will be sent to board members prior to the next meeting.

A federal transitional housing grant is being pursued by Mathew Faulk to fund the permanent supportive housing project. The city has already funded \$500K, ½ of the amount needed. Patrick Schmitz is asking for the board to have a conversation at future meetings regarding the implications of BNC funding the construction if the grant fails and the failed ballot initiative does not progress into something else. BNC owning the property and having to fund the operating costs are a big piece to the decision.

- ii. Deed for Land for Housing Authority has been completed for the county to develop permanent supportive housing. Once complete, the county will lease the building to the Housing Authority to operate for 99 years at the cost of \$2 million, which the money the Housing Authority has set aside.
- iii. COO Report
Amy Warren is on vacation. In her absence, Patrick Schmitz gave the COO report. The Trauma Informed Care (TIC) Learning Collaborative has kicked off. This system will create a non-triggering environment for clients and staff that is more compassionate, enhances experiences, and will assist in making decisions about space issues in the building. Julia Gaughan and Scott Criqui are spearheading the initiative. The agency cohort has been assembled with representation from every department at BNC and have already started using elements in the Exec Team meetings. Julia Gaughan and Amy Warren are working on the formation of a county-wide TIC steering committee with multiple community partners (Schools, court services, LMH, The Shelter, Inc, KU, etc.)

The update on Mental Health First Aide (MHFA) is very favorable. Since 2015, BNC has trained 351 individuals. Since the beginning of 2018, 93 individuals have been trained with 74 of them by Julia Gaughan. There are 221 individuals signed up for future MHFA classes in the near future. A class is occurring on June 29th, if anyone is interested in attending. BNC would like to add two more trainers to the staff to expand training services to more residents.

Increasing access to services update (number of clients):

	2017	2018
Total Intakes	135	147
Adult	120	108
Child	15	39

Beth Ankerholz is researching metrics including time until first appointment. BNC staff is also working on cross training for intakes of adults and children.

BNC is also working on increasing the hours of accepting intakes, but have to be sure there are enough therapists for continued treatment. Discussion ensued.

c. Tracy Kihm, Finance Director

Tracy Kihm presented the May 2018 financial reports. Referencing the May 2018 graph handout:

- The red bar in the first graph is fee revenue, (being billed to insurance) and is higher than budgeted and in May 2017. The full bar is operating revenue, which is less than budgeted due to vacant positions.
- Fee revenue per business day is usually around \$24K per day.
- Key indicators are tracking items from the balance sheet:
 - Accounts Receivable (A/R) has been billed to insurance, but not yet paid and is slightly higher than last year, but the majority is less than 90 days old. 10-15% is older than 90 days with the majority of that being private pay. As long as clients are paying on their account, BNC will work with them. This is typically around \$100K.
 - When send to collections, accounts are written off. Most collections are sent to the State Setoff program that matches funds from other state payments with a return of just under 82%. If clients are out of state, Haase & Long is used giving a return of 60%.
 - Operating Cash is what is in the bank account at any given time. Insurance makes payments weekly, the State funds come in quarterly, and the County funds come in bi-annually, causing a fluctuation throughout the year.
 - Endowment funds are managed by the Investment Advisory Committee and are close to \$5 million.
- The last graph breaks out where BNC funding comes from, the majority being from fees.
 - City funding includes the value of the being in the building and the County funding includes health insurance. Although neither is an expense for BNC, it is listed in Revenue and Expenses to see the cost associated with BNC.

The next page are general comments and items to bring to the attention of the board. Next, is the balance sheet which shows \$1.9 million in long-term reserves. These reserves are from excess revenue from previous years and are invested in Laddered Cd's, a less risky investment than previously made.

The Income Statement and the rest of the packet offers more detailed information overall and for each major department. On the overall statement:

- Fee Revenue is the full fee for service amount at \$175/hour
- Discounted Services is the write off amount for sliding scale
- Contractual Adjustments is the insurance write off
- County Support includes \$1.2 million/year in direct support, while Health Insurance is \$1.3 million/year. The difference between budget vs actual is due to vacant positions.
- Contracts are less than budgeted due to vacant Psychiatrist and APRN positions at Heartland. There are no expenses for these positions, but there is also no revenue.

- BNC receives student fees from KU, but are not accrued due to not knowing when/if they will come each year. 2018 BNC is receiving \$70K.
- Endowment is under budget due to Dave's Dream MHFA trainer not starting until April.
- Expenditures are less due to vacant or late starting positions. A 2% vacancy rate is already factored into the budget.
- Education is over budget due to staff going to NatCon 18 in April, additional MHFA training, and Collaborative Documentation training, which was not budgeted for (\$12K). Budgets are divided by 12 rather than bunched into one or more months.
- Equipment/Computer purchases are done in the first quarter, but are budgeted divided by 12 months.

*Brad Burnside asked for a motion to approve the May 2018; so moved by Lucia Orth; seconded by Jane Fevurly; approved by all.

d. Cindy Hart, Development Director

Cindy Hart reviewed the Development Report including information on the increased number of Discover Bert Nash (DBN) Tours and Goals, Cultivation & Major Gifts and Goals, and upcoming meetings. Hart is continuing to recruit ambassadors to conduct more DBN tours—the VIP tours have been very successful. Hart asks board members to volunteer for greeter and welcome/closer at DBN tours. All open tours are at noon. Hart reminded members the breakfast is November 14th.

IV. Business Items:

a. Nominations

Brad Burnside informed the group that Reed Dillon has resigned his board position due to being too busy, although he will continue to be a strong supporter of BNC. The Nominating Committee is working hard and are in discussions about consideration of other candidates being nominated to the board. Burnside asks all members to keep thinking about prospective board members.

b. Corporate Resolution

Brad Burnside motions to nominate Patrick to fulfill the role of the Corporate Resolution; seconded by Gene Bauer; approved by all:

Patrick Schmitz, CEO, shall hereby be authorized to sign, initial, accept or execute all documents in connection with opening an account with a broker in order to accept a stock or mutual fund contribution.

c. Executive Session

Brad Burnside asked for a motion to adjourn the regular meeting and enter into Executive Session at 8:53am; so moved by Steve Splichal; seconded by Jane Fevurly; approved by all.

Brad Burnside asked for a motion to adjourn the Executive Session and enter into the regular meeting at 9:25am; so moved by Ken McGovern; seconded by Lucia Orth; approved by all.

V. Other

None

VI. Adjourn:

Brad Burnside asked for a motion to adjourn the meeting; so moved by Ken McGovern; seconded by Lucia Orth; approved by all. The meeting adjourned at 9:25am.

The next Governing Board meeting is July 31st at 7:30am in the boardroom.

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