

MENTAL HEALTH AND MENTAL RETARDATION SERVICES, INC.

Monday, September 28, 2009

MINUTES

Members present: Patricia Beebee, Rob Borchert, Roxanne Burrs, Sandra Carr, James Feece, Ron Gilkerson, Kathy Hooey, Patricia Kahl, Mary Speers, Gayle Wolf

Members absent: Pam Bradley, John Intrain, Laura Martinez, Jim Rudnicki

Staff present: Jerry J. Murphy, Marti J. Cross

Guests present: Tracy Griffin Collander, Executive Director, Gateway Foundation Aurora

The meeting of the Board of Directors of Mental Health and Mental Retardation Services, Inc. was called to order at 7:09 p.m. in the INC boardroom at 400 Mercy Lane, Aurora, Illinois, by President Patricia Kahl. A roll call sign-in sheet was passed.

Motion was made by Pat Beebee to approve the agenda as it stands. A second was made by Sandra Carr and it was unanimously passed.

Executive Director Jerry Murphy introduced and welcomed Tracy Griffin Collander, Executive Director of Gateway Foundation Aurora

In her presentation, Tracy updated the Board regarding outcome measurements overall and specific to programs. She noted they are focusing on a case management approach involving employers, schools, the justice system, etc. and making sure they are serving the most needy. As individuals improve they are referred to lower levels of care. Gateway Foundation of Aurora provides services to the uninsured, Medicaid and insured. Because of 708 funding they did not have to make changes to their services during the state budget crisis, although they did not take new clients at that time and did a temporary salary reduction that allowed them to keep their doors open. During the past year they received a 14% decrease in alcohol and substance abuse funding; mental health is at flat funding and they were over their non-medicaid cap approximately \$50,000. The state is averaging a 6-month lag in payments. She discussed their services and the closing of Hope House. Tracy mentioned some of the collaborations they have in Aurora, such as working with Communities In Schools, Aunt Martha's Youth Services, Open Door Clinic and the Visiting Nurse Association of Fox Valley. In a deeper discussion of programmatic outcomes, Tracy shared success stories from some of the clients.

After questions from the Board, Tracy thanked them for their support. Murphy thanked Tracy for her presentation and she was excused from the meeting.

Approval of the minutes of the July 27, 2009 meetings was moved by Rob Borchert. This passed unanimously after a second by Ron Gilkerson.

Robert Borchert, Treasurer, reviewed the August 31, 2009, financial statements for the Building and Operating Funds. He noted that in the Building Fund, Revenue was above budget because of

early rent payments from tenant agencies. Net Income for the first two months of the fiscal year is \$1,993.29. For the Operating Fund, Revenue is above budget because of receiving tax levies from the townships earlier than budgeted. Most of the expenses are in line, except for Awards and Grants due to slow billing by some of the agencies. Kathy Hooey made a motion to approve the Treasurer's Report. With a second by Gayle Wolf it was unanimously approved.

Marti Cross, Assistant Director, discussed the service statistics for the first two months of the year. This is the second year of the new reporting system so there is a lot of valuable comparative information allowing staff and the Board to keep track of services and also the service system. After explaining the format of the report, Cross noted that the total number of residents served during this two-month period stand at 4,650, a decrease of 390 from the previous year. Units of service are down by 12,363, at 71,668. Most decreases are because of programmatic changes due to state budget cuts.

As the first item under Old Business, Cross reported that INC has received 70.6% of the levy so far this year. Exact figures are \$1,104,547.26 received to date out of the \$1,564,520 levy.

President Kahl requested that Murphy give the Executive Director's Report. Murphy reported that the state budget fix was really only a band aid and the issue will probably come up again in January. He added that there will possibly be a 377 (Developmental Disabilities) referendum on the ballot in February, proposed by parents, advocacy groups and the Association for Individual Development. Since INC already handles tax levies for seven townships, Murphy stressed the importance of being aware and involved in the process.

Murphy also noted that he is working on the Three-Year Plan and would welcome any input from the board members. In addition, he reported that the Sugar Grove West Towns office will be moving by November 1.

Under Other, Murphy reported that as a sponsor for the CASA training on November 6th, INC has eight free tickets and if any board members are interested they should let us know by October 9th. He also noted that staff will be presenting Stephanie Weber's Lyle E. Oncken award on November 22nd at a brunch hosted by Suicide Prevention Services. Tickets are \$60 if any board members would like to attend.

Under New Business, Cross reviewed the draft of the FY 2008-09 Annual Report. It has a new cover. The letter includes implications of state funding cuts on the local service system along with a description of changes to statistical reporting. INC staff remains dedicated to total transparency throughout the report, telling who is responsible for fiscal decisions, where the money comes from, the agencies that are funded and the services that are provided with the help of these funds. Most charts indicate comparisons to prior years. Where applicable, Cross included verbal comparisons from staff's annual analysis, indicating the shift to more direct treatment from prevention and aftercare as directed by cuts in state funding to the agencies. Staff salaries and benefits are at 9.8% of expenditures, with operating expenses at 2.2%, building expenses at 26.1% and the majority of funds remaining in Awards and Grants at 61.9%. With a motion by Mary Speers and a second by Pat Beebe it was unanimously approved.

As Chair of the Finance Committee, Rob Borchert reported on the audit of finances for FY 2008-2009. The auditor, Walter Halliwell, met with the committee on September 21st and reported a clean audit with no findings. He noted that Generally Accepted Accounting Principles (GAAP) require either cash or accrual accounting. INC receives some funds prior to the beginning of the fiscal year. These funds are recorded in the fiscal year they are to be used, rather than when they are received, so INC accounting is on a modified cash basis. An issue was also discussed regarding a requirement for fair market value for reporting instead of using depreciation. This would be done for all of the assets, both buildings, fixtures, equipment and furniture and would need to be done periodically. This has not been passed through GAAP at this time, but appears to be coming in the future for both large and small organizations. INC will need to decide at that time whether or not it is worth the cost to be compliant. Borchert stated that INC's finances are exactly as they are reported to the Board and that this is the cleanest audit he has ever seen.

Under Other, Murphy discussed the need for filling a vacancy on the Board and asked members to submit information about prospective board members to staff or to the nominating committee.

There being no further business to come before this Board, Roxanne Burrs motioned for an adjournment. There was a second by Kathy Hooey and it was unanimously agreed to adjourn the meeting at 8:15 p.m.

The next regularly scheduled meeting will be held Monday, November 23, 2009.

Respectfully submitted,

Gayle Wolf, Secretary