

Macon County Board of Health Finance Committee Meeting

**Macon County Health Department
MCHD Main Conference Room
1221 E. Condit Street, Decatur IL 62521
August 16, 2022, 4:30 PM**

Mark Scranton, Board of Health President, called the Finance Committee Budget meeting to order on Tuesday August 16, 2022 at 4:35 PM.

Brandi Binkley stated being present and giving your consent to be recorded and then we will do a roll call.

Roll Call

Mark Scranton, President – present
Jeff Entler, Vice President – present
Candace Clevenger, Treasurer – present

Health Department Staff in Attendance

Brandi Binkley, MPA, SHRM-CP, CPHA, Public Health Administrator

Bethany Stapel, MPH, CPHA, Assistant Public Health Administrator

Sheree Zalanka, Chief Financial Officer

Public Comment

None

Old Business

None

New Business

Mark Scranton stated okay, well back here, very farther back in the package is the reports, you guys have that expense revenue pages and then we'll let Sheree start, do this then.

Sheree Zalanka responded well, I'm not really sure where to start. I revised the raises to reflect what you requested. So, 5% raised for levels one through eight, 2.5% raised for levels nine through eleven, and 1.5% for twelve and thirteen. This actually made salary expense \$41,722 more than just straight 4% raises for everyone. So, because of that and wanting to get our negative number down a little bit, Sheree continued, I reduced some of the vacant positions to only 23 pay dates instead of typical 26 because it's very unlikely that we will be fully staffed for the entire year. It's only three pay periods and

we probably won't have all these positions filled. And then we'll have other people that come and go throughout the year anyway, so that's the major changes. Sheree said I also tweaked revenue a little bit throughout the whole budget I went through and looked at the last couple of months because I more data to evaluate to estimate for next year. So, there were a little bit of increases there, not any huge changes. So that brought us to negative \$112,000. And then we have two potential grants still \$15,000 for HIV, which would be part of the Comprehensive Health Protection Grant. And then we've also applied for a Delta Dental grant for \$86,000. Sheree explained so that would bring us down to negative \$11,058.

Candi Clevenger responded are the expenses associated with these grants already included?

Sheree Zalanka responded yes, for the most part. Sheree said I think the dental one is for sure. The HIV one, they don't really know a lot about yet, but I don't think we would have to have additional staffing, which would be the main expense. And then, Sheree said, as I mentioned in the past, I never like to have a negative budget. I know that doesn't look good, but we never actually end up negative. Sheree continued, I actually just before this meeting, I pulled the financial statements from the last several years and for FY21, it was positive \$759,000, FY20 \$555,000, FY19 \$233,000. Sheree explained we always end up spending less than we budgeted it. And just a reminder, if we would end up negative, that would come out of our health fund dollars, which is sitting at 7.5 million right now.

Mark Scranton responded have you gotten any feedback from the Sheriff's office yet in regard to the security issue?

Brandi Binkley responded I have, yes. We have a drafted job description, basically, and then the hours information. So that is something, I don't know if you want to meet about that or do you want me to email it to you and then kind of review it before we would set something up. Brandi continued you just let me know if you...

Mark Scranton responded I'm just curious if you write any dollar amount. Yeah, \$106,000. That's still going to be a good number. If we're going to get it done less than that.

Jeff Entler responded over Mark, yeah dollars, yes.

Brandi Binkley responded well, I have no idea if we'll get it done less. Brandi continued I know that number that we put in is based on what we've been having to pay. In the conversations that you do have with the Sheriff about possibly being able to figure something else out, I've not talked to him directly about that. So, I'm not sure. I know in 2019, when we talked to the sheriff at the time, it could have potentially been well over \$100,000 to staff that position in a full-time capacity, which, as a reminder, they did say at the time that if we did something like that, if that person was ever off on vacation, sick, whatever, they would not send someone to substitute. So, Brandi continued, an advantage we have right now is that it is covered all the time at that cost. Brandi said, so, I'm hoping if we can continue those conversations with the sheriff, maybe they can give us some other

arrangement with that. Because if we get a senior level of deputies that applies and gets moved into that position, they could have four or five weeks of vacation plus all their holidays, and we'd be paying potentially over \$100,000 to then not have many weeks of coverage where right now that does cover the whole year.

Jeff Entler responded it's probably not going to be any less. And it could be, and that's a good middle of the road number.

Brandi Binkley responded yeah. I'm not sure if it would be less...did you want to say something?

Sheree Zalanka responded so actually the \$106 is not the total cost. That was just the change in what we paid this year, what we had in the budget this year versus next year. Hang on, I'll find this year.

Brandi Binkley responded and if you recall, we were paying while she's finding that we were paying less per hour. And then the County had that audit finding if anybody was hiring back those deputies that they would have to pay them time and half. So that's part of why that amount increased.

Sheree Zalanka replied I can't remember where it is, okay.

Mark Scranton responded when did you send him that job description?

Brandi Binkley responded I didn't send him; I'm going to send it to you.

Mark Scranton responded okay. I'm sorry.

Brandi Binkley responded since you were kind of working on it and I wasn't speaking with him directly about it, I haven't sent that to him yet. I prepared a draft that we've reviewed, just kind of pulling some information of what we know we're having the person do. And then I did some research as far as other places hiring basically someone for security and what type of duties are listed in there. So, I put all that together and then the hours that we would be covered as well.

Sheree Zalanka responded I have \$116,000 in here for the part time deputy line. So, I don't know where the \$106 came from. It's probably \$116 plus the fringe minus what we had last year. Mark Scranton said, I'm looking at this page here. Sheree responded, but that doesn't tell you how I got to that number. Sheree explained I think I took the \$116 plus what the fringe benefits were, minus last year, and the net was \$106 increase.

Candi Clevenger responded so that amount is in the budget, or it is not.

Sheree Zalanka responded it is, yeah, it's in this budget that comes down to the negative.

Candi Clevenger responded so what you're saying is that much might not be an expense.

Sheree Zalanka responded right. Oh, I don't know, it could end up being more if we have to hire someone, I mean who knows like when we have a full-time employee, we have to pay almost \$10,000

for health insurance. Those are the main points I have, I guess, I think. Sheree asked do you have some stuff too you wanted to mentioned Brandi?

Brandi Binkley responded I think most of it I've already covered. You'll probably notice Sheree did mention that our reserve has increased since our last meeting and is now at \$7.5 million.

Mark Scranton responded so; I do have a question about that since you brought that up. So can you enlighten or educate us a little bit about I know the primary source that provides the revenue stream for the Health Department is either through the taxes or the grants. So historically, what has the fund been over, like, the last five years? If the grant money had to be spent, which I'm assuming that's a requirement on an annual basis because you couldn't apply for another grant again if you haven't spent the year before.

Sheree Zalanka responded that's not necessarily true.

Mark Scranton responded well, that's why I'm saying I assuming that.

Sheree Zalanka responded that you get reimbursed for what you actually pay. If they pay you up front, you pay it back.

Mark Scranton responded historically, where has the Health Department been financially, like, over the last five years in terms of the reserve that's in this health fund? I'm trying to understand how we have \$7 million sitting here. I mean, has that been accumulated over ten years, 20 years? Mark Scranton continued to ask we just got some money that was provided through some grants or levy got raised or whatever, and we just accumulated this money because I'm wondering what other options, we have with what we could use some of this money for to have it sitting there stagnant and not being utilized.

Sheree Zalanka responded I don't really have any good answers for you without really digging into it. We have some money sitting in restricted fund balances that was from some grants that didn't get spent or not even grants, like um, one was My Hope that was like a research project or something. There were a couple of research projects that we have staff participate in, and they received funding for that. And that all hasn't been spent, but that isn't, but that is only like, probably \$150,000 or so.

Jeff Entler responded well, what was the fund balance five years ago?

Sheree Zalanka responded I mean, I don't know that off the top of my head either.

Jeff Entler responded just not holding you to it.

Brandi Binkley responded I could look at budget summaries real quick for at least the last few years.

Jeff Entler responded I was just kind of curious.

Candi Clevenger responded you would want to have some accumulated fund balances because that gives you the opportunity to do some things that are outside...

Mark Scranton responded oh, I agree. I'm just trying to figure out how we got to this point with that much sitting there looking at what we're spending every year. Jeff Entler asked if it has always been like that. Mark Scranton stated it's almost a wash out or close to it. Mark asked so I'm like, where, over time is this money, it's been generating from?

Candi Clevenger responded it's been a lot since I always remember being in the millions.

Mark Scranton responded because obviously it's a carryover from one year to the next. But then that's why I didn't know if we had obligations on grants that we didn't utilize the money because the project got scrapped. I didn't know. I'd assume if you apply for a grant, there are requirements that you have to spend it on certain things within a certain window of time. I'm just curious as to how we're at this amount we're at now, because when I looked at the budget, I looked at how much we're spending versus how much we're taking in and I'm like it looks like it's pretty close to break even or maybe a little bit less or a little bit more as it fluctuates from year to year. So, at some point this balance had to be a lot smaller. Unless it's been sitting there historically for the last ten or 15 years, it's just accumulated over time of tax revenue or whatever.

Bethany Stapel responded but I think that, yeah, a lot of it I think has to do with good financial management. As we said, Sheree just said, and we said in other meetings that we haven't ever, shouldn't say ever, but historically, there hasn't been a deficit. We do end up not, I mean, the budget, is in the green at the end of each fiscal year. Bethany asked, but then also what year would that have been? When I mean, lots of health departments were having - was that '09 maybe?

Candi Clevenger responded yes.

Bethany Stapel responded it hasn't always been probably healthy, but.

Candi Clevenger responded that all the state departments cut everything, budget or something they called it, they just cut everything. You didn't know what you're getting, and you have to take a risk of either going ahead and spending the money not knowing whether you're going to get it or not. And we ended up having..

Mark Scranton responded well you never want to spend money relying on the state because they'll end up yanking the rug out from underneath you if you haven't gotten the money. We've learned that lesson..

Jeff Entler asked as Mark said that, was it during the Rauner Administration or what?

Mark Scranton responded we've learned that lesson the hard way.

Brandi Binkley responded it was before that, I remember when we couldn't get Kleenex, post-its, and definitely didn't do raises. And over the years, just with that responsible fiscal management, if you have the grant funds to support a lot of what you're doing, then we have to dip into the tax dollars like we've talked about for what's not supported by grant funding. But then if we don't have to dip in as much, then that is something that could go into that fund balance. And I know you said something about what are ways we can use the fund balance and things we've talked about before were like the digital environmental health. There's not grant funding for that, but we're able to do that because we do have such a healthy fund balance, electronic medical records, which was recommended by the county's audit findings for many, many years, and now we're doing it. Part of why we can do that is because we have that healthy fund balance. Another reason it's really important for health departments to hang on to at least some level of reserve just to have the money for operational expenses to cover us. And then also if there does end up being something like a TB outbreak for example, there's not necessarily funding to cover that, but it is our obligation and responsibility as a health department to respond. And the amount of staff time that it takes to monitor and follow up just on one TB case is extensive and that's our responsibility. So that would need to come out of the fund balance. So, we have kind of had a really healthy balance of saving, but then figuring out ways to move the health department forward or just to keep it stable and use that fund balance. And that was part of kind of what the argument was last month about raises, that we agree we don't want to be wasteful with spending money from the fund balance. But if we're going to use that money to invest in the present and the future of the health department, investing in our staff is really important and giving them those raises and making the pay comparable and competitive. So those are all things that we really think are important or security. If we don't have enough money or we don't have a grant that pays for security, it's becoming more and more important, as we all talked about several meetings ago, and that costs a lot of money. But is it something that we need to invest in for the safety of our staff and of our clients and patients? Yes, Brandi said.

Mark Scranton responded well, that's why I was curious because I was looking at this, like I said, where the money comes from. And we got 1.6 million in the course of a year coming in as taxes and then you got close to \$4 million in grants. So, I mean, that tells me that we rely very, very heavily on grants. So, I'm thinking how many years could you be generating tax revenue and accumulating that and a combination of grants? Mark continued I would think to have a \$7 million you know, nest egg, we'll call it, sitting there, I would think this had to accumulate over a lot of years because I don't see, I don't see enough meat here to say, okay, in the last five years we went from 2 million to \$7 million because the numbers don't indicate that, because you're running on such a tight scale to start with. So, I'm just curious about the longevity of that. And that being said, do we have any options on what we can do with that money as far as making the money work for us? I don't know because I know government operates differently than a person individually or business does. But do we have the ability to take a percentage of that money and put it into something. Whether it's through something that the state provides in terms of some kind of I'll call it a treasury note or whatever. But do we have a vehicle that we can take some of that money and utilize it in a safe manner without putting it at any

kind of risk per se as an investment. Whether it's CDs or whatever it is? Mark continued because if you got that much money sitting there.

Sheree Zalanka responded I think, well.. Mark Scranton interjected you've got a real small percentage. Sheree Zalanka continued, it's all handled by the treasurer's office, but I actually think they do have I don't really know specifically....

Mark Scranton responded so do they have control over that money, how it's handled in that regard? Or do we have any input in that?

Sheree Zalanka responded well they have control over all of the investments and everything, but it's our money.

Mark Scranton responded, Jeff do you know anything about that at all?

Jeff Entler responded no.

Mark Scranton responded that there might be something to ask Mr. Jackson about. I'd be curious. I mean, I guess in theory the money belongs to the County, but it really belongs to the Health Department. So, the Health Department's money. But do we have the ability to direct what is done with that money in terms of trying to I would like to see us generate some kind of revenue back off that money. Because even if you did something very modest in a, you know in an instrument that would generate some low yielding interest.

Sheree Zalanka responded I mean they do have part of it invested, and we receive some interest. Mark Scranton said, okay, and Sheree Zalanka continued, I don't know what amount.

Mark Scranton responded I mean I think that is important because that could be six, \$7 million.

Jeff Entler responded especially since interest rates are not there.

Sheree Zalanka responded so at the end of FY 21, which is our last fiscal year, has been closed out and financial statements been completed. Sheree said we are at 5.6 million. So, the 7.5 we're at right now is really subject to a lot of adjustments.

Jeff Entler responded so it's really five point..

Sheree Zalanka replied well, as of November 30, 2021, it was 5.6.

Brandi Binkley responded and that's the finalized number. When we did budget presentation, as of August 31, 2021, it said 5.3. So that was Sheree's estimate from everything she had finalized, and it ended up confirmed 5.6. So, it was really close, just as final numbers come...

Mark Scranton responded so you got almost \$2 million in two years.

Brandi Binkley responded and the number, well, that's as of 2021.

Mark Scranton replied right.

Brandi Binkley replied this is 2022 so.

Candi Clevenger responded how much was that?

Sheree Zalanka responded \$5.6.

Candi Clevenger responded how much surplus this year?

Sheree Zalanka responded \$759,000.

Candi Clevenger responded so that is, \$759,000 surplus makes it go up higher.

Mark Scranton responded right.

Sheree Zalanka responded at the end of FY20, we are at 4.8 million, and then FY21, we increase \$759,000. So, we're at \$5.6 million. So yeah, Sheree explained, we've had a surplus every year. FY19 \$233,000, FY18 \$367,000, FY17 \$497,000, FY16 \$1.3 million. Sheree said, I don't know what happened that year. Sheree continued I'm curious about that. FY15 was actually negative \$586,000. That makes me wonder if we had some grants that rolled over and something got weird.

Candi Clevenger responded that might have been the year that..remember the year that we were trying to figure out whether we can hire the person, not hire that person.

Sheree Zalanka responded I feel like those years have to be related since we have a huge increase and then a huge deficit. FY14 \$317,000 increase. FY13 \$530,000 increase. Sheree finished, so I didn't go any further.

Mark Scranton responded so, that being said, I'd like to see what you just have gone over. It would be really interesting to see how much that surplus is being derived out of surplus from grants not used.

Sheree Zalanka responded well, I can tell you right now, it's not from grants. We cannot bank grant funds. You spend it and then they reimburse you...

Mark Scranton responded well that's what I was asking you earlier? Mark continued you got a time limit that you have to use the money or you lose it or apply again?

Brandi Binkley said yeah, that's what she (Sheree) said. Brandi responded yes, it's reimbursement based, or if they pay upfront like 25% or something like that. If you don't use it all or you don't do enough work or have billable expenses, you have to pay it back. We can't just bank grant money.

Sheree Zalanka tried to add, yeah, we are not..

Mark Scranton said, well yeah, that's what I was asking. Jeff Entler said well all of it's from the County tax..

Sheree Zalanka responded we also have fees, we have fee for services, that is probably a significant amount of it from there because....

Mark Scranton responded we're only getting \$12,000 on a million six in taxes for interest. That's not very much money.

Brandi Binkley responded but I think it's a positive for sure to discuss that we have been able to continue to grow our health fund balance with responsible fiscal management at the Health Department, which I know is something that's really important to us as leadership and Sheree as a CFO and to all of our directors. But to your point. We definitely want to make sure our money is working for us and also invest it in ways that are going to help us remain stable and grow in the right ways. Which, like I mentioned some of those other ideas of what we're using it on already or asking what to use it on. And then, Brandi continued, of course, investing in our current staff and then anybody that we'd like to recruit on board.

Mark Scranton responded I mean, just going by what this is, we're getting like, less than 1% back on our money. That's pretty bad.

Sheree Zalanka responded well, like I said, that's not up to me. That's the treasurer office handling that...

Mark Scranton responded no, I understand that.

Sheree Zalanka responded the treasurer has there's some kind of restrictions on what they're allowed to do.

Candi Clevenger responded that's an estimate too, right?

Sheree Zalanka responded yeah.

Candi Clevenger responded I mean, that's probably estimated based on last year's rates.

Sheree Zalanka replied yeah, exactly.

Mark Scranton said yeah, that works out to three-quarters of a percent while Candi and Sheree were talking. Mark Scranton responded yeah, that's pretty bad. When you got that much money sitting there and it's like that's all you're getting back out of it. I'm just curious because I thought there's got to be a better way to make that money with that accumulative amount work for it better. But that'd be interesting to see what the treasurer is doing as far as what percentage of that money. Mark Scranton asked, do they keep us apprised of that at all? How much they're taking? Investing?

Sheree Zalanka responded I am sure they would share that information, we haven't really...

Mark Scranton responded do we have any guidelines to tell them that we are, as a board, only comfortable with you doing a certain percentage, or I guess they make all decisions about how much they invest, where they invest it at.

Sheree Zalanka responded yeah, that's their role. I'm sure they would share the information with us.

Mark Scranton responded yeah, I think it would be good just for knowledge.

Jeff Entler responded yeah; I just got a text back from John. It says that they're in good interest-bearing accounts without long-term commitments. So, they're short term. So, no, you're not going to..

Mark Scranton responded so you can get access to your money.

Jeff Entler responded yeah.

Mark Scranton responded you're not going to be tied up in a CD for five years.

Jeff Entler responded you're not going to get anything in...Just the nature of where we've been the last five years and the economies so robust with the interest rate.

Mark Scranton responded yeah, less than 1% is really bad. But like I said, I know your hands are tied on options of what you can do. Okay. It's just good information to know because obviously it's handled a little bit differently.

Jeff Entler responded I don't know what this means? It says the Health Department is State of Illinois pass through with county oversight only. It makes it sound like...I don't know...we'll have to ask him (Mr. Jackson) just to ask. It makes it sound like...

Mark Scranton responded I hope it means we're not giving money back to the state to manage it for us.

Jeff Entler responded yeah, that would be even worse.

Mark Scranton responded yeah, I don't think I'd be, like I said, there may be guidelines on what you can and can't do.

Jeff Entler responded hey, could we recap a second? I was just making some notes. So pay levels one through eight are 5%, nine through eleven are two and a half?

Sheree Zalanka responded yes.

Jeff Entler responded one and a half. And then that increased the budget line item by about \$42,000. You said 41? Okay, I just want to make sure I took.

Sheree Zalanka responded yes, in comparison to the 4% raises I had straight across the board initially.

Mark Scranton responded so just as a side note about expenses, I noticed we have a brand new, freshly sealed parking lot, redone striped, out of the outside. Is that, is that paid for by building commission then? Okay.

Brandi Binkley responded yes.

Mark Scranton responded and that's just something they do at their discretion.

Brandi Binkley responded yeah.

Mark Scranton responded so we're not paying directly for that? It's just part of the facility operations? Okay.

Brandi Binkley responded no, and I mean, they use their discretion. They have a budget, they have a Board that has to approve their expenses, but they are usually pretty open to if there's something that we feel like is needed and we ask for that, that they are pretty receptive to discussing the possibility or entertaining the idea of putting it into a future year's budget. As an example, our parking lot, we have people go the wrong way a lot, which then presents a safety issue for patients coming through, especially with little ones, stuff like that. Possible accidents with multiple vehicles. Brandi continued so we had asked them to add more arrows. They had it done, I think it was within a matter of days. And then now they resealed it. Did the same amount of increased arrows and then also added crosswalks for us because they did some research and checked into like what's worked at some other places to get people to slow down a little bit. And crosswalks were something that they heard positive feedback on. So, they added that for us. And then I think it was 2019 or beginning of 20 we asked for the electric sliding doors that the county has. Brandi explained our doors can be sometimes difficult to get through if we have people coming through carrying a lot of things or multiple children or stroller, baby carrier, whatever it might be. And so, they did not have it in the budget at that time, but they did add it into a future budget and those will be getting put in soon. They're just waiting on a date at their expense. The keyless entry they ended up doing at their expense, which was something that we had asked for a couple of years ago or so and then asked for again. So, they've been really, I think, responsive to our needs. When it's something they do have a plan...

Jeff Entler responded Brandi, do they, do they maintain and pay the lease on the generator?

Brandi Binkley responded yes; they handle the generator, yes.

Jeff Entler responded with the lease and the maintenance.

Brandi Binkley responded yeah, that's all included.

Jeff Entler responded that's a big thing.

Brandi Binkley responded it is really big. Especially like we have a lot of vaccine, sometimes tens of thousands of dollars of vaccine here at a time.

Jeff Entler responded so that's why it's here.

Brandi Binkley responded yeah, then we have a backup generator as well, because if one goes out, we could lose a lot of vaccine very, very quickly and that's very expensive. And then of course, our county would be waiting for something that wasn't here for a bit. So, they've been really great about working with us, specifically with IT and with nursing to make sure that we have a whole system in place. We have a text notification system that lets us know if something's off. So, they've been really great with that as well. They test it every so often to ensure it's still working.

Mark Scranton responded so something in here I'm just curious about looking at the different line items. What exactly is grant supplies? What constitutes grant supplies?

Sheree Zalanka responded those are supplies purchased specifically for the grant.

Brandi Binkley responded so it depends on what grant it is.

Sheree Zalanka responded supplies like ...

Mark Scranton responded well, that's a good answer, but that is not what I was thinking of. I was thinking of something you had to use to apply for the grants...okay.

Sheree Zalanka responded something like paper, pencils, stuff like that...

Brandi asked Mark - to apply for the grants?

Mark Scranton responded yes, that's what, I was looking at as expenses.

Brandi Binkley responded oh no, we write the grants with our staff. We write the grants, we bring everything together, type them, write them...

Sheree Zalanka responded it's any kind of supply that is purchased specifically for the grant. So, if we purchase things like paper, pencils, something like that, that's available to anyone to use. So that goes in office supplies. But if it is a direct expense for one of the grants, then it is coded as a grant supply under the appropriate grant.

Mark Scranton responded okay.

Jeff Entler responded so just get some of your, your um, expenses taken care of through the grant.

Mark Scranton responded I was thinking like you gotta pay somebody to write a grant was what I was thinking about. Because sometimes you have to do that. I know school district ran into that problem where you had to literally go outside and get somebody writing specific grant.

Jeff Entler responded we just did that at the County, and it was \$16,000, is that right?

Brandi Binkley responded I think that's another really great thing we have going here is that we do have staff that write all of our grants. So, I think that's another thing. When we talk about investing in staff that we have here, those staff are doing that and that's something that we fortunately don't have to go outside and pay for because our staff do it all and we usually don't have very much turnaround time again, especially when it comes to state grants. So, a lot of times it will be like this grant is due in a week or this grant is due in two weeks and they're very, very extensive. So, you have staff working over a lot of hours or into the night or on the weekend to get those grants done and bring in those in the past few years, millions of dollars in grant funds, and those are the people we already have here. Brandi continued, so, I think that's really a cool thing. I think to kind of brag with our staff that they do all of that themselves.

Mark Scranton responded Tammy just came in the room. I don't know if anybody knows Tammy or not, Tammy Wilcox, she's our new County Administrator and we talked about her coming to the meeting.

Brandy Binkley responded hello nice to have you. Mark Scranton said so, thanks for coming, Tammy.

Tammy Wilcox responded you're welcome.

Mark Scranton responded thanks for taking the time to come. Mark continued we're getting the real meat potatoes here in about 30 minutes. So we're working on the budget right now, so we're working on going through that. So, Candi, Jeff, you guys got anymore questions on what's been presented to us right now? I mean I think it's good that you're able to get this updated because I knew you had some plans, and you wanted to get this squared away and I don't really see anything else here to really go back over. I know when we have the rest of the Board join us for the regular Board meeting, I'm hoping that we're going to be able to not have to devote a huge amount of time to go through this line by line because I think staff's done a good job of preparing it. Mark continued and obviously us three board members need to convey that the rest of the Board, that we worked with them, and feel comfortable with where we're at with the numbers that we came up with and of course, if anybody's got questions, then obviously we want to provide them with answers. But I think this has worked out really well, devoting some time to this and really looking at things and getting some questions answered and I appreciate everybody's input on making it happen. So, I think it's a good place to be right now.

Jeff Entler responded I also echo that and appreciate all the hard work and the persistence and taking our suggestions to heart, it means a lot.

Brandi Binkley responded I do have a question. I know it seems like today that the Finance Committee is impressed about the health fund and talking about possible investments. Would you at all consider increasing that levels nine through eleven a little bit more than the two and a half percent?

Mark Scranton responded I'm not, I'm not comfortable with doing that, even though we have what looks to be a good picture overall. I think, again, we need to be cognizant of where we are in regards to comparative salaries out there. And if we push that up more, then that's going to throw the budget out of wack that much further for already \$40,000 in rears based on the numbers right now, then I don't know what that would potentially end up looking like if we turn around and start adding more back into the equation again. Plus now we have a budget that we can't vote on because the numbers would have to be fully recalculated.

Jeff Entler responded respectfully, I'm, I'm very comfortable and like where, where it's at right now that's my two cents.

Candi Clevenger responded Sheree do your grants, come up for what's it called RFP, where you have to be competitive?

Sheree Zalanka responded some do, not always and sometimes it's just every few years.

Candi Clevenger responded what happens when the state grant cycle is every so often your grants come up that they're competitive. So, when they come up with their competitive, you will want at that point you can ask for them for money. Otherwise, what happens is you get \$100,000 as much as you get for the next three years unless they want to give you a percentage increase. So, in the grant, if you put somebody's salary out a flat amount, that grant doesn't give you more money to increase it. So, when you put together a budget for the new state grant, it's always good to look forward and to look at higher salaries than what you're currently paying. The problem with that is if you let your salaries get supported to the grant employees versus the other employees, you don't have that balance. So, you do need to start planning for strategy for your salary to make sure you stay competitive with other places as your employees go up. So right now, those other levels right now are being squashed down. So, it is a strategy that you go through and preparing the grants at the state and since more of the money comes from state grants and that's other things that's the way that you can't lose...you must stay on top of because eventually by the time that three years cycle goes down, you're underwater with the grants versus on top of it.

Jeff Entler responded yeah.

Candi Clevenger said, does that make sense to you?

Jeff Entler responded yeah.

Candi Clevenger said, yeah, I know Sheree has a lot of experience with the grants, too

Sheree Zalanka responded just to add to that, something I always do when I do my reporting for the grants, I always report everything we've spent. So even if we go beyond the grant award, I report the rest of the dollars we spent as non-state funds. So that way they do have a full picture of what our actual expenses for all the grants are. And there have been times when they reached out and they're

like do you need more money for this program? And then we've been asked to write up some type of proposal. So I mean, that hasn't happened lately, but it has happened.

Candi Clevenger responded I'd really think that right now with mental health and people with the social determinants of health, there'll be more opportunity to do that in three years.

Bethany Stapel responded and just like Candi said, I mean, I was trying to pull some research about pay compression and a lot of these topics that we're talking about and basically was saying that if your response is 'we can't afford that,' we need to focus on the future and how we can adjust that compensation so that when conditions do improve, I mean we're in a good financial place, but when they change or whatever that looks like. Then we make sure that not only are we figuring out how we can move forward. But also, even training managers on having those conversations with the employees and that they understand that the Board is invested in this moving forward to make sure that we do retain and we don't lose staff if we aren't giving competitive salaries and all of that.

Brandi Binkley responded as these numbers did change, we did see that some of the employees categorized in some of those in the level one through eight area with the adjustment this way, with the supervisory levels getting less of a percentage. The pay compression will be so significant that some of those staff will be making more than staff who have taken on supervisory responsibilities, which obviously is greater than some of the other employees throughout the building. So that pay compression that we've talked about several times is definitely concerning to me. In addition to just the morale and kind of the impact that giving staff less simply because they already make more will have. So, I definitely also appreciate the conversation we've had about this. But I just wanted to make sure to let you know that when we did make those adjustments, what happened and I hope that our supervisors will hang on and not leave. But I do know that there are competitive salaries or salaries where they can go somewhere and make more and have additional benefits. Brandi continued, I just, and we cannot afford to lose people in that in any category, but definitely not in our supervisory category. A lot of those people have been here for a really long time and took on extra duties, which is why they make more. So, I am just very fearful that that will have a negative impact on them. And that we'll have a major loss of knowledge if people do decide to leave and find something more competitive. But maybe, like Bethany said, maybe that's something we can as a Board and Finance Committee and Administration keep looking at and make more of a plan for how we can continue in the future, not just at budget time to stay competitive, become more progressive. I know we did also talk about what can we do to make work arrangements more flexible or offer hybrid or remote opportunities, which a lot of people find great value in that. We also talked about some of the other benefits that employees enjoy here. So, I'm definitely open to continuing that conversation with the board of what we can do. Because as you all know from what you've seen, we can't afford to lose any more people at any level and I certainly don't want to. Brandi continued, like I said, come across as punishing those who are making more just because they make more.

Candi Clevenger responded the other thing that happens with lower income wage earners, the ones that are at \$35 to \$40,000 and below that. A lot of those individuals may be on some kind of aid. They get help with their childcare expenses or they get help with their housing. And when you give them an increase and they lose more than you gave them. Candi continued I don't know how much experience you all have with that, but I know that has happened. So then they want to reduce their hours so they don't...

Jeff Entler responded don't they- they hit their mark.

Candi Clevenger uh huh.

Jeff Entler said makes sense.

Candi Clevenger responded yeah, there's a period, place in there where you probably get over it. So they actually come out ahead.

Jeff Entler responded yeah, yeah.

Candi Clevenger said it's really difficult.

Jeff Entler said I noticed you had one person for the month that was leaving. What was the reason for her leaving?

Bethany Stapel responded I did, I mean, if this is something you want me to share with you. I did, I only pulled 2022 so far exit interview feedback as far as reasons for leaving. So not to get into specific employees, but I can share some of that with you. I started to pull 2020 through 2022, and then I thought that I was like, oh, that might be too much of a large window.

Jeff Entler responded but how about that one person that just left this month?

Bethany Stapel responded I can't..

Brandi Binkley said I think it.. started with an M, MB.

Bethany Stapel responded, oh, I didn't differentiate these by people..

Brandi Binkley responded I think that person wanted to..

Bethany Stapel responded it was more pay for position if I'm categorizing the correct person with this feedback but like I said, I left names off of...

Brandi Binkley responded most of these are pay for positions and then we're seeing, most of them are they can get paid more working somewhere else, and it has been for years.

Bethany Stapel responded pulling some of these, "I didn't look for this new job," "I love my job here," "I was informed of the position, they wanted me to apply," "Price of daycare, gas, insurance went up. I

began to look for other jobs that would pay more,” “I did not look for the job. I was called and asked to consider taking a new position,” “I wanted to move closer to my family. It has a higher salary, which was an incentive,” “Benefits that the health department has not offered that helps me with work/life balance. Vacation time during my first year, more vacation time, four weeks your second year, better and less expensive medical coverage. Hybrid work schedule. Short summer weeks with Fridays off. Mandatory paid week off between Christmas and New Year's. Longer and expanded bereavement leave,” “Making more money,” “Increase the salary of this position. You will not retain quality employees in this role if the salary is not raised.” “Salary increases offered at least meet the minimum inflation rates, work from home and an increase in salary,” “Need to offer more competitive salaries,” “Salary increases,” “more pay for position.”

Candi Clevenger responded what salary grade were those?

Bethany Stapel responded all levels but I will say most of these were level 8 positions, which are our vacancies.

Candi Clevenger is that where the nurses are?

Bethany Stapel and Brandi Binkley responded yes.

Brandi Binkley responded most of our vacancies are other types of level eight positions. I think just one of our vacancies in the level eight category is a nurse.

Bethany Stapel responded so I don't know if this is helpful, but I did pull SIU Medicine because I also feel like that's kind of comparable, especially in those nurse roles of their rates, and I mean, we're still coming, unfortunately, under. They did put, what I could find, benefits: generous sick and vacation time, they're offering tuition waivers and reimbursement, health insurance starts on the first day of employment and that's huge for people.

Brandi Binkley responded I do have copies of that if anyone wants them.

Mark Scranton responded okay, anybody got anything else?

Jeff Entler said no.

Mark Scranton said, then I conclude the Finance Committee meeting at 5:24 PM.

Brandi Binkley responded we do need to make a vote to approve the pay grade scale and budget as presented and move on to the full Board at the Board meeting.

Mark Scranton responded I make the motion to approve the payroll and budget that was presented; Jeff Entler seconded.

Brandi Binkley responded are you doing both things in one?

Mark Scranton responded yeah.

Brandi Binkley said, yeah, okay. Roll call taken, all votes yes, motion carried.

Adjournment

Mark Scranton responded okay. Motion to adjourn.

Brandi Binkley responded you can just adjourn if there is no more business.

Respectfully submitted,

Susan Hertel

Administrative Assistant II

President: _____

Secretary: _____

Date: _____