



Transforming Lives. Building Community Well-Being.

**May 30, 2024**

**TRILLIUM HEALTH RESOURCES  
GOVERNING BOARD BUDGET WORK SESSION MINUTES**

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The Trillium Health Resources Governing Board met on Thursday, May 30, 2024, at 10:00 a.m. via Zoom meeting.

**Members Present:** Melvin Alston, David Clegg, June Cummings, Walter Ferguson, Carlvena Foster, Deborah Herring, Charles Jordan, Steve Keen, Priscilla Little-Reid, Jerry Langley, Jackie McLean, Janice Nichols, Wanda Piland, James Simmons, David Stanley, Wixie Stephens, and Rob Zapple.

**Members Absent:** Rob Boyette, Mary Ann Furniss, Jerry Jones, Sheron Mosby and Sheila Smith.

**Staff Present:** Kelli Baker, Cindy Ehlers, Joy Futrell, Senitria Goodman, Victoria Jackson, Mike Lewis, Bobbie Lowe, Christy Nichols, Melissa Owens, Cecelia Peers, Dave Peterson, Dr. Michael Smith, Anthony Ward and Lisa Fuller, Clerk.

**Guests:** None

**I. CALL TO ORDER**

Chairman, Jerry Langley called the meeting to order at 10:00 a.m.

**II. ROLL CALL**

Ms. Futrell performed the roll call.

**III. ADOPTION OF AGENDA**

Chairman Langley called for a motion to adopt the agenda. Commissioner Zapple so moved. The motion, seconded by Commissioner Stephens, was unanimously approved.

**IV. BUDGET WORK SESSION**

Ms. Owens and Ms. Baker presented to the Board a detailed PowerPoint presentation of the proposed Trillium budget for fiscal year 2024-2025 to include:

- Trillium Business Plan & Budget Ordinance
- Statutory Framework for LME/MCO Budget Process
- Total Budget
- Executive Summary
- Revenue Deep Dive
- Expenditures Deep Dive

**BOARD DISCUSSION AND QUESTIONS**

Commissioner Zapple inquired about the county allocations, with Guilford County providing a larger amount of funding, compared to funds allocated from other counties. Ms. Futrell added, based on her understanding that, Guilford County has approximately four or five large programs that are insurance blind, and the funds are used to cover the gaps for some of those crisis services in Guilford County based on historical allocations.

Commissioner Alston inquired about liability and other insurance for the Board and the coverage amount. Ms. Owens agreed to provide the Board with those details.

Commissioner Alston asked how much of the fund balance was used to balance the budget. Ms. Baker replied, no fund balance was used to balance this budget.

Commissioner Alston requested staff provide the Board with the amount of fund balance rolled over from last year's budget to the current budget.

Commissioner Alston asked what percentage of the \$382,000,000 is being invested in Certificates of Deposits and the expected interest rate on the CD's. Ms. Baker stated, we are currently earning approximately \$500,000 per month in interest on CD's. Ms. Futrell added, there is a revenue line item on the monthly financials provided to the Board "Interest Income", where the interest on all accounts is posted.

Mr. Keen requested that the Board receive a detailed outline of the budget, including line items, prior to voting on the budget in June.

Mr. Keen expressed concern regarding potential risk factors and litigation absorbed by Trillium as a result of the consolidation. Ms. Baker replied, Trillium is not assuming all of the litigation liabilities for those entities; they stay within the legacy entities. They will not be absorbed by Trillium.

Commissioner Cummings inquired about services that may no longer be offered in communities, and what new services will be offered. Ms. Futrell replied, under Medicaid all of the exact same services are offered. Commissioner Cummings stated she was referring to non-member specific services, Juvenile Crime Prevention Council, having staff in the court systems, etc., which improves the relationship with the MCO.

Mr. Simmons asked if Trillium has an annual or bi-annual independent outside audit, and how are the auditors selected. Ms. Futrell replied, yes Trillium has an annual audit. During the April 25, 2024, Governing Board meeting, the Board approved the contracts for Trillium, Eastpointe and Sandhills audits. Ms. Owens added, the Board approved CLA (Clifton Larson Allen) to complete the fiscal year 2023-2024 audit.

Commissioner Zapple asked is Trillium required by State statutes to keep a percentage of the budget as fund balance. Ms. Baker replied, per the contract as of July 1<sup>st</sup>, it does not specifically reference "fund balance", requirements are fiscal solvency. The capital requirement is 12.5% of the contract, which translates to approximately \$324 million.

Mr. Stanley inquired about the projected total for staff compensation. Ms. Owens replied, the budget includes a 2% COLA and a budgeted 3% pay for performance (merit pay), based on annual evaluations and performance goals. Pay for performance is scheduled for implementation next fiscal year. We have structured it as either a percentage of salary or a one-time bonus. The total for both of these is approximately \$5.4 million.

Commissioner Alston asked if Trillium has any pending lawsuits against the organization. Ms. Owens replied, no pending litigation at this time.

Commissioner Alston asked, is this the budget the Board will be asked to adopt and vote on at the June 27<sup>th</sup> Board meeting. Ms. Futrell stated, the information will be posted on our website, and the budget is made available for public input and inspection. We typically have a public hearing and adopt the budget on the same day at our June Board meeting.

Mr. Keen asked, will the complete detailed budget be posted by June 1<sup>st</sup>. Ms. Futrell replied, we have historically made the proposed Business Financial Plan and Budget Ordinance available for public inspection, along with the public notice message by June 1st. The budget line items can be shared with the Board, we do not typically post that detailed information publicly. Mr. Keen requested staff provide the Board with a detailed analytic forecast before voting on the budget June 27<sup>th</sup>.

Commissioner Alston agreed with Mr. Keen, more detailed information on the budget is needed. Ms. Owens replied, this is the Business Financial Plan and Budget Ordinance we prepared to present to the Board at the June meeting for consideration and approval. The PowerPoint presentation was a request for detailed information through the budget work session. Commissioner Alston requested additional detailed budget information be shared with the Board for review prior to June 27<sup>th</sup>.

Commissioner Zapple suggested that members review last year's audits. This may assist in answering some of the questions and concerns with the budget.

Mr. Keen requested a full detailed financial budget for the ensuing year.

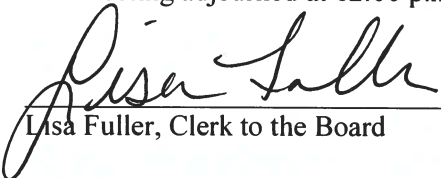
Ms. Futrell replied, staff will provide the audits from Eastpointe, Sandhills and Trillium immediately. Staff will provide the detailed budget information requested by next week.

Chairman Langley stated after receiving the additional information next week, if you have further questions please contact Ms. Futrell.

V. **ADJOURNMENT**

With there being no other business, Chairman Langley called for a motion to adjourn. Commissioner Zapple so moved. The motion, seconded by Commissioner Stephens, was unanimously approved.

The meeting adjourned at 12:00 p.m.

  
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Lisa Fuller, Clerk to the Board

  
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Jerry Langley, Governing Board Chair