

**ALLEN COUNTY BOARD OF MENTAL RETARDATION AND DEVELOPMENTAL  
DISABILITIES  
and  
MARIMOR INDUSTRIES, INC.  
Board of Director's Joint Meeting Minutes  
2550 Ada Road  
Lima, OH  
October 26, 2005**

The Allen County Board of Mental Retardation and Developmental Disabilities and Marimor Industries, Inc. held a joint board meeting on Wednesday, October 26, 2005 at 6:00 p.m. in the Marimor School gymnasium. Superintendent Baldrige welcomed everyone to the meeting. Jon Rockhold, Allen County Board Member, did the invocation.

Allen County Board of MR/DD Board Members that were present included Gina Goodin, Charles Fuller, Ted Healey, Greg Miller, and Jon Rockhold. Bob Honigford and Kathy Williams were not present.

Marimor Industries, Inc. Board Members that were present included Rick Rosado, President, Bruce Fuhrman, Walter Lawson III, and Shelley Gould. Kristi Clouse, Cindy Tenwalde, Paul Woehlke, Jon Wade and Marc Wright were not present.

The Staff that were present included Esther Baldrige, Superintendent; Angie Herzog, Adult Services Director; Martha Nance, Director of Business; Phyllis Steele, Service and Support Unit Manager; Scott Bond, Human Resource Director; Joy Miller, Director of Help Me Grow; Peggy Cockerell, Director of Education; Kim Shepler, Administrative Assistant/Superintendent; Chris Calvelage, Administrative Assistant Fiscal/Technology (Clerk for the MRDD Board); Andrew Wilker, Accountant; Dennis Powell, Industrial Systems Manager; Carrie Kruse, Habilitation Manager; Theresa Felgar, Administrative Assistant – Industries (Clerk for the MII Board); Melodie Conley, Employment Services Manager; and Terry Heminger, Marketing Representative.

Superintendent Baldrige and Angie Herzog reviewed the current insurance coverage for both MRDD and Marimor Industries, Inc. The Allen County Board of MR/DD and Marimor Industries, Inc. both currently have insurance coverage through the County Risk Sharing Authority (CORSA).

Martha Nance reviewed MRDD's financial condition. Martha presented a Long Term Budget Analysis as of October 14, 2005 as well as a report on the actual revenue and expenses for MRDD from 1994 to 2004 with projections for 2005 and the 2006 Budget. According to Martha's projections, the MRDD Board will make it through 2008 before it will have to go out for another levy. Martha reported that the biggest portion of MRDD's budget is salaries and benefits. There are still a lot of unknowns which makes it very difficult to budget. For example, we can start billing for Day Habilitation services that we provided to clients beginning July 1, 2005, however, we do not know how much revenue we will receive because we have not been able to bill yet. Also, if a private provider comes into Allen County, a client can choose to use their services and MRDD would have to pay 42% of the cost for that client to the new provider.

Andrew Wilker reviewed Marimor Industries financial condition. Andrew presented the Financial Information for Marimor Industries for January through September of 2005. He

reported that the increase in income from contracts was mostly due to a large increase in the volume of Parker Hannifin work; however, as of mid-September Parker Hannifan ceased work with Marimor Industries. Marimor also began a new contract with Metokote in August and Secure Shred has steadily increased its customer base and volume of paper throughout the year. Marimor has seen a large decrease in the number of mailings this last year. They believe this is due to an increase in other business's use of alternative means of communications such as the internet. Marimor has increased its payroll expenses as a result of the increase in contract income. As of September 30, 2005 the year-to-date net income for Marimor Industries, Inc. was approximately \$68,000. The 2005 projected net income is approximately \$46,000.00. Andrew reviewed the Profit and Loss Comparison and the Balance Sheet for Marimor Industries, Inc. Andrew reported that Marimor Industries, Inc. has \$1,075,000 in assets of which 85% are held in various liquid investments including checking, savings, certificates of deposit and other investment vehicles. The current liabilities for Marimor remains under \$100,000.

Superintendent Baldrige reviewed the current contracts between the Allen County Board of MR/DD and Marimor Industries, Inc. Marimor Industries, Inc. will reimburse MRDD for some overhead costs, including use and utilities at the Ada Road site at an annual cost of \$136,000. In addition Marimor Industries will pay the salary, benefits and approved expenses for the Marketing Representative and Industrial Systems Assistant. The Shipping & Receiving Clerk that had been paid for by Marimor has been laid off. It was also agreed that MRDD would pay the costs of no more than two Shipping and Receiving Clerks and if additional positions are required by Marimor Industries, then Marimor Industries would pay the expenses for those positions.

Superintendent Baldrige did a presentation on "Our Three Boards". The Allen County Board of Mental Retardation and Developmental Disabilities is publicly-funded and a political subdivision. It was established in 1967/68. It is governed by a Board of Directors appointed by the County Commissioners and Probate Judge. The Board is a Department of the County. The Board *serves* Allen County Citizens who have mental retardation or other developmental disabilities. Marimor Industries, Inc. is a private non-profit corporation. It was incorporated in 1968. It is governed by a Board of Directors elected by the Board of Directors. It contracts with the MR/DD Board to provide employment for clients of the MR/DD Board. Marimor Industries *employs* people with mental retardation and other developmental disabilities. LODDI, Inc. is a private non-profit corporation. It was incorporated in 1992. LODDI, Inc. is governed by a Board of Directors appointed by the MR/DD Board. It contracts with the MR/DD Board to provide housing. LODDI, Inc. is the *landlord* for people with mental retardation and other developmental disabilities.

Superintendent Baldrige also did a presentation on Privatization. Marimor Industries, Inc. is already a private, nonprofit corporation; however, all staff are county employees. Privatization is defined as any process aimed at shifting functions and responsibilities, in whole or in part, from the government to the private sector. In true "privatization", staff would become employees of Marimor Industries. The MR/DD Board's contract with Marimor Industries, Inc. would include a fee for service which would cover some or all of the cost of staff. Superintendent Baldrige reviewed the potential problems and concerns with Privatization.