



# *Finance Committee Minutes*

Date: 04/18/2017	Time: 6:00 p.m.	Location: District Office
------------------	-----------------	---------------------------

Call to Order	Mickey Cartner, Committee Chair, called the meeting to order.
Committee Members Attendance	Jim Brown, JoAnn Layell, Marion Wellborn, Cindi Dixon, and Mickey Cartner. There was a quorum with 5 of 8 members present.
Staff Attendance	Rick Seibert, Kathy Payne, Jeff Cockerham, Kevin Edwards, and Lisa Sexton
Excused	Larry Johnson and Jimmy Walker
Absent	Beverly Essick
Approval of Minutes	Minutes from the last Finance Committee meeting on February 13, 2017 were approved at the Board of Directors meeting held on February 23 2017.

Agenda Topic	Budgets and Financial Statements
Discussion	<p><b><u>Agency Financial Statements – January and February</u></b></p> <p>Rick distributed the financial statements for January and February. The January statements were provided for review and to verify that statements are produced monthly. Rick moved forward to the February statements and asked the Committee to turn to page 4 where the totals across the programs were listed. Since the end of February, Rick explained that funds had been received for Head Start, Duke Helping Hands (DHH), Heating and Air Repair and Replacement Program (HARRP), and Sexual Assault/ Domestic Violence (SA/DV). The Senior Centers, especially those in Yadkin County, have experienced slow funding this year. Rick informed the Committee that the Piedmont Triad Regional Council (PTRC) and Yadkin County have placed the Senior Centers on a reimbursement funding arrangement. Hours for some Senior Center staff have been reduced for May and June to help with funding concerns. Transportation has a surplus of approximately \$100,000 after accounting adjustments. February ended with an approximate \$43,000 surplus across all programs.</p> <p>Rick drew the Committee’s attention to the February Revenue and Expense Statement. The revenues have been consistent from FY 16 to FY17. He stated that the expenses are staying flat as well.</p> <p>Rick discussed the February Fund Statement. He highlighted the Accounts Receivable, Prior Grants Receivable, and the Grants Receivable balances. Together they total close to \$1 million. YVEDDI is making efforts to collect these receivables.</p>

There was no further discussion concerning the financial statements.

### **Cash Flow**

The Committee reviewed the Projected Cash Flow spreadsheet provided by Rick. The information on this spreadsheet is categorized by program and disbursement type. Rick explained that March ended with a cash balance of \$370,000 in the Operating account and \$250,000 in the ICS account. YVEDDI is able to generate cash on a regular basis. He stated that Transportation is working with NC Tracks now. This is a State program for billing and collecting. Implementation of this system has caused some delays in billing and collecting for services rendered to State agencies. Transportation staff is working hard to address any issues and to completely implement the system.

Jim asked about a \$400,000 entry posted on the week of March 24<sup>th</sup>. Rick explained that he erroneously transferred funds from the Operating account to the ICS when he intended to do the reverse action. The bank worked with Rick to rectify the situation quickly and YVEDDI did not experience any cash flow problems.

Discussion ended on this topic.

### **Head Start Itemized Budget.**

Rick provided the Head Start budget statement as of April 10, 2017. He informed the Committee that a drawdown of Federal funds takes place every two weeks for expenses incurred during the two week period. Head Start is performing well and Rhonda Wrenn, Head Start Director does a great job.

There were no questions and discussion ended on this topic.

### **Credit Card Statement**

The recent credit card statements were distributed by Rick and reviewed by the Committee. Rick explained that each program director has his/her own card with an overall agency credit limit of \$25,000. If there is an issue with one card it does not interrupt activity for the other cards. Rick stated that the outstanding balance each month runs in the \$6,000 to \$7,000 range. Accounting staff is able to view activity online for closer monitoring. Lisa reconciles the credit card activity and the reconciliation spreadsheet was attached for the Committee's review. Kathy reminded the Committee that directors are still required to follow purchase order procedures before using the credit card.

Mickey asked about the interest charges listed on the account. Rick stated that those are normally reversed the following month. Jim had

some questions about specific charges on the account and Rick was able to sufficiently answer his questions.

Rick explained that there is a balance of \$41.71 remaining on the Bankcard credit card account. Once this balance is paid, Rick plans to cancel this credit card.

Discussion ended on this topic with no further questions.

### **Dashboard**

Rick prepared the Financial Dashboard as of February to compare YVEDDI to what a perfectly performing non-profit would look like. He explained that the net cash out at the end of February was \$913,707. Net cash out was negatively impacted by the County reimbursement process and certain funding agency reimbursements slowing. The transition to NC Tracks has also had a negative effect on cash out.

On page 2 of the Financial Dashboard, Rick informed the Committee that the variance between the actual numbers and the budgeted numbers is very low. This demonstrates the efficiency of the budgeting process.

Rick discussed the initiatives listed on page 3. The server and system expansion continues. We now back-up data on the server nightly and mirror the data on the server in Yadkinville. Improvements have been made to more effectively protect the data through encryption. This helps YVEDDI stay HIPPA compliant also. Rick stated that Purchasing module in the Accounting software is now being utilized. Lee Johnson, Purchasing Manager, is making quick progress in building the database and history in the system. Gary Dahmer with Head Start is providing assistance with Head Start information. Lee is able to provide details concerning purchases that were not available before. Rick also explained the progress being made with the Timetrex implementation. Kevin has done a tremendous amount of work to get the Timetrex system working for Transportation. Lisa is working with Doug Meredith with AccountMate (AM) to import the hour data from Timetrex into AM. Timetrex will track the hours and AM will calculate payroll and post to the general ledger. Lisa will review the data for accuracy before paying employees and posting payroll.

Kathy stated that the Financial Dashboard will be included in the minutes for the Board packet.

There were no further questions concerning this topic.

Agenda Topic	General
Discussion	<p data-bbox="472 233 1052 264"><b><u>Head Start Facility Lease – Yadkinville</u></b></p> <p data-bbox="472 268 1466 701">Due to the lease of the current JRH Head Start facility ending, Head Start has researched all options for relocating the JRH Head Start. Kathy provided the Committee a copy of the proposed lease of a facility located at 728 West Main Street in Yadkinville. She explained that Head Start plans to combine the JRH Head Start and the Yadkinville Head Start (a total of 3 classrooms) into the new facility. Renovations will be needed to prepare the facility for use and to meet Federal regulations. Terms of the 10-year lease were discussed including the graduated rent schedule. The lessor is offering a reduced rent at the beginning to help offset renovation costs. The Committee compared the current rent for both facilities to the rent for the new location.</p> <p data-bbox="472 743 1466 1104">Rick stated that the approximate renovation cost of \$150,000 to \$200,000 will be funded by a loan from Capital Bank. He provided a copy of the Term Sheet from Capital Bank. Rick explained that YVEDDI plans to apply for grants to offset the loan debt. Mickey and Cindy asked about who will be performing the renovations. Tony Aquilano, Head Start Facilities Coordinator, will oversee the project. He will have to get the renovation plans professionally approved. Tony will subcontract certain tasks. Rick stated that the heating and air work would be completed by a vendor currently used by the DHH program at a reduced cost.</p> <p data-bbox="472 1146 1466 1360"><b>Cindi Dixon made a motion to approve the execution of the lease agreement for the property located 728 West Main Street in Yadkinville between YVEDDI and V. Gray Garrison. Cindi’s motion also included the approval of the execution of the loan from Capital Bank as listed on the Term Sheet for renovation costs for the same property. Joann Layell seconded the motion.</b></p> <p data-bbox="472 1402 1365 1434">The Committee had no further discussion concerning this topic.</p> <p data-bbox="472 1476 1305 1507"><b>All voted in favor of the motion and the motion carried.</b></p> <p data-bbox="472 1549 1073 1581"><b><u>FY17-18 Agency Budget and Cash Flow</u></b></p> <p data-bbox="472 1585 1466 1759">Rick distributed a copy of the proposed Agency Statement of Revenues and Expenses Plan for FY 17-18. He explained that the planned figures for FY 18 is compared to the planned figures for FY 17 as well as the audited figures for FY 16. He stated that the biggest difference is in the funding from DHH.</p> <p data-bbox="472 1801 1466 1904"><b>Marion Welborn made a motion to approve the Agency Statement of Revenues and Expenses Plan for FY 17-18 as presented. Cindi Dixon seconded the motion.</b></p>

	<p>Discussion ended on this topic.</p> <p><b>All voted in favor of the motion and the motion carried.</b></p> <p><b><u>System Improvements Update</u></b>  This agenda topic was discussed under “Dashboard”. Please see the minutes listed in that section.</p>
--	--

Agenda Topic	Transportation
Discussion	<p><b><u>Success Plan</u></b>  Jeff provided a copy of the proposed Success Plan for 2017-2018 as required by the North Carolina Department of Transportation (NCDOT). The plan is intended for YVEDDI to define and measure its own success. On page 5, Jeff explained that the Values were derived from the YVEDDI Code of Conduct. Pages 6-8 outlined the Success Goals, Strategic Areas of Focus, and the Operating Tactics. Pages 9-14 gave a description of each tactic as well as the staff responsible and the quarterly milestones. The Performance Scorecard was described and demonstrated on pages 15-17. Jeff stated that a draft version of the Success Plan has been submitted to the NCDOT. He asked for the Committee to approve the Success Plan for 2017-2018 as presented for final submission to the NCDOT.</p> <p><b>Jim Brown made a motion to approve the Transportation Success Plan for 2017-2018 as presented. Marion Welborn seconded the motion.</b></p> <p>There was no further discussion on this topic.</p> <p><b>All voted in favor of the motion and the motion carried.</b></p> <p><b><u>Mileage Rate</u></b>  Jeff presented a spreadsheet to show the data used to determine the proposed billing rate of \$1.85 per vehicle mile. This is the same as the current rate for FY 17. Jeff compared total expenses from February 2016 through January 2017 against total vehicle miles from the same time period to yield a cost per mile of \$1.69. This is very consistent with Jeff’s previous estimate of \$1.66 cost per vehicle mile. Jeff also included the effective billing rate per vehicle mile for the same 12 month period. Jeff feels confident that the data confirms the effectiveness of the \$1.85 per vehicle mile billing rate. He asked the Committee to give approval to use this rate to negotiate contracts for FY 18.</p> <p><b>Marion Welborn made a motion to approve the use of the \$1.85 per vehicle mile billing rate to negotiate Transportation</b></p>

	<p><b>contracts for FY 18. Cindi Dixon seconded the motion.</b></p> <p>There were no questions and discussion ended on this topic.</p> <p><b>All voted in favor of the motion and the motion carried.</b></p> <p><b><u>PTRC Vehicle Purchase</u></b></p> <p>Jeff informed the Committee that the PTRC leases three vehicles from YVEDDI. All three vehicles have been paid for in full. Jeff proposes to purchase three new vehicles to lease to the PTRC at a purchase price of \$25,000 or less each. The three vehicles currently being leased would return to YVEDDI to replace other high mileage vehicles that YVEDDI owns and uses. Jeff asked the Committee to approve the purchase of the three new vehicles.</p> <p><b>Cindi Dixon made a motion to approve the purchase of three new vehicles to lease to the PTRC at a purchase price of \$25,000 or less for each vehicle. Marion Welborn seconded the motion.</b></p> <p>Discussion ended on this topic.</p> <p><b>All voted in favor of the motion and the motion carried.</b></p>
--	---

Agenda Topic	Other
Discussion	<p><b><u>Yadkin County Homebound Meals Plan</u></b></p> <p>Rick provided a spreadsheet titled “Yadkin County Homebound Meals Plan” and a Revenues and Expense Statement for all three Yadkin County Senior Centers. For FY 17, Rick explained that Yadkin County decreased funding for the Yadkin Valley Senior Center (YVSC) in Jonesville and increased the funding for Homebound Meals (HBM) on a conditional basis. This condition applied to the increased funding for HBM: YVEDDI must expend all other funds before Yadkin County would disburse funds from the conditional funding arrangement. Because of this condition, Rick predicts that YVEDDI will not be able to utilize all of the conditional funds allocated by the County. Rick would like to reserve the unused conditional funds and apply them to the Senior Centers in Yadkin County. Rick would like to propose this to Yadkin County. He emphasized that he would not ask for an increase in funding from the county, just an adjustment in where the funds are spent. This would help with the funding issues that the Senior Centers have faced in FY 17. Kathy explained that one Senior Center Manager is retiring. The current Manager of the East Bend Senior Center (EBSC) will split her time between the EBSC and the YVSC; thus reducing hours at each location for the last two months of FY 17. Kathy stated that Senior Center positions will be reevaluated at the beginning of FY 18 to determine if funding is available to have a full-</p>

	<p>time Manager at all three Senior Centers in Yadkin County. Rick announced that the hours for the Surry County Senior Center (SCSC) Manager have also been reduced for the last two months of the year. Cindi expressed concerns about the interruption of services. Kathy explained that services would need to be prioritized to get through this difficult time.</p> <p>The Committee gave its blessing for Rick and Kathy to work with Yadkin County Manager concerning the funding issues.</p> <p><b><u>Committee Member Attendance</u></b>  Mickey expressed concerns about problems with Committee member attendance recently. Mickey asserted that Committee members should view attendance as an obligation instead of an “as available” approach to attendance. Mickey reminded the Committee to respectfully give at least a week’s notice if he/she is not able to attend an upcoming meeting.</p>
--	--

Agenda Topic	Adjournment of Meeting
Motion/Second/Time	<b>Marion Welborn made a motion to adjourn the meeting. Cindi Dixon seconded the motion. All were in favor and the motion carried.</b> The meeting was adjourned at 7:50 p.m.

Date of Next Meeting: June 12, 2017 at 6:00 p.m.
--

<b>Minutes Recorded By/Signature</b>	
--------------------------------------	--