



Finance Committee Minutes

Date: 10/10/2017	Time: 5:30 p.m.	Location: District Office
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Call to Order	Richard Lasky, Personnel Committee Chair, called the meeting to order.
Committee Members Attendance	Jim Brown, JoAnn Layell, Marion Wellborn, Larry Johnson, Mary Olvera, and Jimmy Walker. There was a quorum with 6 of 7 members present.
Staff Attendance	Rick Seibert, Kathy Payne, Jeff Cockerham, Janet Phillips, Terry Daniels, and Lisa Sexton
Excused	Mickey Cartner
Approval of Minutes	Minutes from the last Finance Committee meeting on August 8, 2017 were approved at the Board of Directors meeting held on August 24 2017.

Agenda Topic	Joint Discussion with Personnel Committee
Discussion	<p><u>Health Insurance Renewal Options</u></p> <p>Janet distributed two information sheets for review and discussion. The first sheet contained two graphs, one for each insurance renewal option. The second sheet was a summary of the benefits provided by the current health plan. Janet explained that the current plan renewal would cost an additional \$63 per month per employee (PMPE) for an annual additional cost of \$87,000 for YVEDDI. Option 1 from the graph would increase health care cost by \$18 PMPE or approximately \$30,000 annually. Janet stated that the increase in premiums was lessened in Option 1 due to an adjustment in plan benefits. She explained that the individual deductible would increase from \$1,500 on the current plan to \$2,000 in Option 1. Also, the individual out-of-pocket maximum would change from \$3,500 on the current plan to \$4,000 in Option 1.</p> <p>Rick elaborated on the information Janet provided in the graphs. He originally planned for an increase in health insurance premiums of \$100,000 for the year. Rick explained that the graphs show how the \$100,000 can be utilized for health insurance premium increases and performance based pay increases. Renewing with the current plan would use more funds to pay for insurance premiums, leaving most pay increases on hold. A smaller percentage of the \$100,000 would be needed for insurance premiums in Option 1 while more funds would be available for performance based pay increases.</p> <p>Janet explained that she has requested the Insurance Broker to explore cost of premiums to offer both plans. The employees could</p>

	<p>choose which plan they wanted but would be responsible for paying the additional cost of choosing the plan with higher premiums. YVEDDI would pay a flat \$655 and the employee would pick up the additional cost on the plan they choose. She stated that since it is close to renewal time, this arrangement may not be feasible this year. She will know more when the broker provides an update. Jimmy Walker asked what opinions the employees have. Janet shared the results of a recent employee survey that showed 60% of respondents do not wish to pay more for insurance while 40% would pay more to have better benefits. She explained that the options presented were also voted on by the Leadership Team. There were 6 votes for the current plan, 5 votes for Option 1, and 1 vote for a 3rd plan that was later ruled out.</p> <p>Larry Johnson made a motion to renew the BCBS health insurance coverage under Option 1 as presented unless both plans can be offered without an additional cost to YVEDDI in excess of the cost of Option 1. Jimmy Walker seconded the motion. There was no further discussion on this topic. All members present from the Personnel Committee and the Finance Committee voted in favor of the motion and the motion carried.</p>
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Agenda Topic	Budgets and Financial Statements
Discussion	<p><u>July and August Financial Statements</u></p> <p>Rick provided the financial statements for July and August. He stated that August ended with a surplus. There was also an increase in net assets as compared to the same period in FY 17. YVEDDI began FY 18 with \$1.3 million in reserves. Approximately half of those reserves were expended as of the end of August due to the typical funding delays at the beginning of the fiscal year. Rick explained that we are mirroring FY 17 from a cash perspective.</p> <p>Rick drew the Committee's attention to page 11 of the August statements which shows the surplus/ (deficit) across the programs. He stated that Transportation (CTP) is showing a deficit due to the bus purchases in August. The grant receivable related to the buses was recorded in the Indirect (IDC) column which shows a \$1.2 million surplus. Overall, the amount of grants receivable exceeded the amount of expenditures at the end of August.</p> <p>Jimmy asked if the billing rate for CTP is still proving to be a good rate. Jeff explained that he expects the rate to produce a net surplus of each month of FY 18 except for July. Rick supported Jeff's statement and added that his and Jeff's figures agree.</p> <p>Discussion ended on this topic with no further questions.</p>

	<p><u>Head Start Budget</u> Rick distributed the Head Start budget as of October 10, 2017. He stated that Head Start has had a good start to FY 18. Expenses have spiked less at the beginning of the year as compared to FY 17. Funding is consistent at approximately \$220,000 per month. Rick informed the Committee that all programs have begun the year well. Even the Domestic Violence funding had arrived much earlier than previous years.</p> <p>There was no further discussion on this topic.</p> <p><u>Credit Card Statement</u> The Committee reviewed the most recent credit card statement. Rick explained that credit card activity had slowed down since the spike in activity at the end of FY 17. The directors do a good job managing their transactions. Lisa reconciles the statement monthly and tracks all charges as well as payments.</p> <p>There were no questions concerning the credit card statement.</p>
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Agenda Topic	General
Discussion	<p><u>Audit</u> Rick provided the preliminary draft of the audit report prepared by Dixon Hughes Goodman LLP (DHG). He announced that there were no findings for FY 17. The Committee congratulated Rick on a job well done. Rick commended the program directors for their efforts to make it possible.</p> <p>Discussion ended on this topic.</p> <p><u>Fiscal Policies and Procedures</u> Rick gave an update concerning the progress of the fiscal policies and procedures revision. He stated that he recruited Jim to be a part of the committee. He is also getting input from program directors. Rick recently asked directors and the Accounting staff to complete a risk assessment survey to assist with the revision process. More information should be available for the December meeting.</p> <p>There was no further discussion concerning this topic.</p> <p><u>New Roofs Completed</u> Rick announced that three new roof projects have been completed. The roof was replaced at the Yadkin County Senior Center. Partial replacements were completed at the FRC and the District Office. The replacement at the District Office included the section of the building that houses the server and other networking equipment.</p>

	<p>These projects were funded by the \$90,000 grant that Kathy wrote.</p> <p>Discussion ended on this topic.</p> <p><u>Head Start Grant Award</u></p> <p>Rick informed the Committee that Rhonda Wrenn, Head Start Director, applied for a grant to fund the Yadkinville Head Start project. Head Start was awarded a grant for \$217,619. YVEDDI secured a loan prior to receiving the grant to get the project started. Rick stated that the grant will be applied to the loan.</p> <p>There were no questions on this topic.</p> <p><u>Five Year Summary</u></p> <p>Rick distributed a spreadsheet to demonstrate how flat revenues vs increasing personnel costs affect the agency as a whole. The spreadsheet also included a projection of how the cost of each of the health insurance options would impact areas such as non-personnel costs and net assets. Rick explained that combining flat revenues with increasing personnel costs like health insurance increases leads to less funds allocated for program services. Rick stated that revenues have decreased after the end of the Duke Helping Hands Program (DHH) making FY 18 a more challenging year. While revenues will decrease for FY 18, the personnel costs and other related expenses supported by those revenues will not decrease. CTP has also received a \$50,000 reduction in funding for the Administrative budget.</p> <p>Discussion continued into the next topic.</p> <p><u>For Profit Subsidiary</u></p> <p>Rick informed the Committee that YVEDDI is exploring the option to create a For-Profit Subsidiary company in the Weatherization Program (WAP) to help increase revenues. He provided a copy of the business plan for the proposed company. A separate committee has been formed concerning the formation of the subsidiary, which met just prior to the commencement of the Finance meeting. Rick also said there is a for-profit option that Transportation can explore.</p> <p>Discussion ended on these topics.</p>
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Agenda Topic	Transportation
Discussion	<p><u>Revenues vs Expenses</u></p> <p>Jeff distributed a packet of information and began his discussion with the first page. This page displayed the following information for July and August for each County in the service area:</p> <ul style="list-style-type: none"> • Vehicle miles • Billed amounts

- Revenue per vehicle mile
- Estimated cost per vehicle mile
- Net income/loss

Jeff stated that his calculations yield an YTD net income of \$9,096 as of the end of August.

Jimmy asked how many miles the new routes in Stokes and Davie Counties will add to the monthly vehicle miles. Jeff estimates an additional 3,000 to 6,000 miles per month which will be 50% funded by the NC Department of Transportation (NCDOT). The other 50% will be derived from a combination of Rural Operation Assistance Program (ROAP) funds, County funding, and contract billing. Jeff stated that he will know specifics about the funding sources and any unfunded miles at the conclusion of FY 18.

There were no further questions on this topic.

FY 18 Admin Budget

Jeff presented the FY 18 Administrative Budget on page 2 for approval by the Committee. Rick explained that the funding cut for this budget of \$50,000 mentioned earlier mainly concerns the vehicle insurance. Due to the decrease, most of the vehicle insurance will have to be funded by the operating budgets in FY 18.

Marion Welborn made a motion to approve the FY 18 Transportation Administrative Budget as presented. Mary Olvera seconded the motion. There was no further discussion concerning this budget. **All members voted in favor of the motion and the motion carried.**

Grant Resolution – Software Modification

Jeff informed the Committee that the State has moved to a new system for Medicaid billing and reimbursements titled NCTracks. He stated that YVEDDI needs to modify the billing software to integrate the Medicaid billing upload into NCTracks. We are eligible to receive funding assistance from the NCDOT for the cost of the software modification in the amount of \$9,600, but a formal resolution is required from the Board. Jeff presented the resolution on page 5 of the information packet.

Jim Brown made a motion to adopt the resolution authorizing YVEDDI to enter into an agreement with the NCDOT for funding assistance for the cost of the software modification. Joann Layell seconded the motion. There was not further discussion on this topic. **All members voted in favor of the motion and the motion carried.**

	<p><u>FY 19 Grants Approvals</u></p> <p>Jeff provided the Local Share Certification For Funding on page 7 including the total grant amount and the local share amount for the following CTP grants:</p> <ul style="list-style-type: none"> • Administrative • Operating • Capital • 5310 Operating • Mobility <p>Jeff stated that the total funding requested for FY 19 for all CTP grants totals \$1,291,905 with \$297,138 as the required local match. The proposed funding sources for the local match was included. Jeff explained that he anticipates a \$100,000 increase over FY 18 in the Administrative grant and for the 2 new routes added in FY 18. Along with these grants, Jeff presented the FY 2019 Resolution on page 8.</p> <p>Jim Brown made a motion to approve the following NCDOT grants and to adopt the FY 2019 Resolution:</p> <ul style="list-style-type: none"> • Administrative • 5311 Operating • 5310 Operating • Capital • Mobility Management <p>Jimmy Walker seconded the motion. There was no further discussion concerning these grants or the resolution. All members voted in favor of the motion and the motion carried.</p>
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Agenda Topic	Adjournment of Meeting
Motion/Second/Time	Jim Brown made a motion to adjourn the meeting. Marion Welborn seconded the motion. All members were in favor of the motion. The meeting was adjourned at 6:50 PM.

Date of Next Meeting: December 5, 2017 at 5:15 p.m.

Minutes Recorded By/Signature	
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