



# *Finance Committee Minutes*

Date: 06/12/2018	Time: 5:15 p.m.	Location: District Office
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Call to Order	Jim Brown, Committee Chair, called the meeting to order.
Committee Members Attendance	Marion Wellborn, Jim Brown, Mickey Cartner, JoAnn Layell, Larry Johnson, and Rebecca Vanhoy. There was a quorum with 6 of 8 members present.
Staff Attendance	Rick Seibert, Jeff Cockerham, Janet Phillips, and Lisa Sexton
Excused	Jimmy Walker and Mary Olvera
Approval of Minutes	Minutes from the last Finance Committee meeting on April 10, 2018 were approved at the Board of Directors meeting held on April 19, 2018.

Agenda Topic	Budgets and Financial Statements
Discussion	<p><b><u>March and April Financial Statements</u></b></p> <p>Rick distributed the Financial Statements for March and April. He explained that the March statements are available, but he focused on the April statements. The April Agency Statement of Revenue and Expenses shows a net surplus of \$85,000. The April Fund Statement indicates that the cash balance at the end of April is even with the cash balance at the same point last year. Receivables (AR) are higher but grants receivables are lower due to improved reporting and faster reimbursements from grantors. The April Revenue and Expense Statement shows revenues are down compared to last year due mainly to the end of the Duke Helping Hands program. The net surplus of \$85,000 at the end of April 2018 is comparable to the net surplus of \$89,000 at the end of April 2017.</p> <p>Rick stated that the statements changed for May. He provided the most recent AR Aging Report for discussion. He drew the Committee's attention to page 12 of this report. Rick pointed out the large receivable balance for Surry DSS. Payments for DSS transportation trips are received through the NCTracks system. YVEDDI has only received \$10,000 for Surry DSS in the last 6 weeks. Rick explained that the slow payments from NCTracks is negatively impacting cash flow. He asked Larry to check with Surry DSS to see if anything can be done to speed up the process. Larry agreed to check into the matter.</p> <p>Rick moved forward to the Cash Flow spreadsheet. On this spreadsheet, Rick plans out payments and records collections as they are received. This method predicts the amount of cash needed to fund obligations. The slow funding from NCTracks will have the greatest impact at the beginning of the next fiscal year. The combination of slower NCPK payments of about \$150,000 and the slower NCTracks payments of about \$250,000 will result in a significantly lower cash position at June 30 which will impact YVEDDI's ability to fund operations in the first quarter of next year.</p>

Discussion ended on this topic with no further questions.

**Head Start Budget**

Rick distributed the Head Start budget as of June 11th. The State NC Pre-K (NCPK) grant was \$550,000 last fiscal year. Rick stated that we have only received \$364,541 thus far for FY 18 from NCPK. He expects to receive \$50,000 - \$100,000 less this year from NCPK due to slots that were lost in Davie County and slots lost in Stokes County due to building renovations. Rick stated that Head Start currently has a surplus and that June typically has lower expenditures.

There was no further discussion on this topic.

**CTP Review – NC Medicaid funding change**

Rick distributed a CTP Funding Analysis for the third quarter of FY 17 and FY 18. He began discussion by explaining that the Transportation program is two businesses, one funded by grant awards and the other through business operations. The business operation consists primarily of Medicaid business through county DSS and then school related business. The main topic Rick pointed out from the analysis was the decrease in county operating margins from FY 17 to FY 18. The decreases can be primarily attributed to a rate reduction in Surry County and the mix of business in Yadkin County where the lower rate business now represents a larger percentage of the total miles driven. The decrease of about \$250,000 is significant because county operating margins cover expenses not covered by grant funds. As a result of the decrease, operating expenses are not being fully covered by grants and then business operating margins. Rick stated that Jeff has adjustments planned for FY 19 to increase the county revenues. Jeff plans to increase the billing rate in Surry County by \$.10. The rate was decreased in Surry by \$.30 two years ago and by .10 last year. Jeff also plans to evaluate routes in Yadkin County and restructure routes to improve efficiency. He also announced that Transportation would receive an increase in operating grant funding in FY 19 to help with the Stokes connector and the Davie circulator.

Rick provided information to the Committee concerning the State's changes to Medicaid trip reimbursements. The implementation of NCTracks represents the first wave of the changes. Currently, the county DSS approves trips. Then, the State funds the trips through the NCTracks system. Beginning in Spring of 2019, the State will pay prepaid healthcare providers (PHP) that are regulated by the Department of Insurance. The PHP will determine how transportation for Medicaid and Medicare recipients will be provided. It is expected that the PHP will work with a transportation broker such as Logisticare. The broker will contract with a transportation provider to provide the service. Jeff is doing everything possible so that YVEDDI becomes the transportation provider for the region in which we operate. Rick explained that he believes that Logisticare will likely become the broker. YVEDDI has already established a relationship with Logisticare and is currently providing

	<p>services. Rick and Jeff have already been looking at reimbursement rates and feel that the Transportation program can work within those rates.</p> <p>Discussion ended on this topic.</p> <p><b><u>Credit Card Statement</u></b></p> <p>Rick distributed the latest credit card statement for the Committee's review. He explained that activity has increased recently as programs finish out the fiscal year. Jim asked about the Time Warner Cable charges on Linda Trivette's card. Rick explained that those were payments for past-due invoices that needed to be resolved quickly.</p> <p>There were no further questions concerning the credit card statement.</p> <p><b><u>Financial Dashboard</u></b></p> <p>Rick provided the Financial Dashboard for the end of April. The dashboard will be included in the Board packet. This is a summary of YVEDDI's position and activities through the end of April.</p> <p>There was no discussion concerning this topic.</p>
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<b>Agenda Topic</b>	<b>General</b>
Discussion	<p><b><u>Fundraising Event Update</u></b></p> <p>Janet informed the Committee that the car show fundraiser provided a net profit of \$8,200. Janet stated that the event went well considering it was the first event of this nature. Board and staff members have made suggestions to improve the event for next year.</p> <p>Discussion ended on this topic.</p> <p><b><u>Fiscal Policies Manual Update</u></b></p> <p>Rick provided the Table of Contents from the draft of the new Fiscal Policies Manual. From this, the Committee could get an idea of the volume of information contained in the manual. Rick explained that the new manual addresses information technology and financial statement close procedures which have not been addressed in previous versions. The steering committee is reviewing the manual and will meet soon to approve a final draft to present to the Board.</p> <p>There was no further discussion concerning this topic.</p> <p><b><u>Facility Improvements Loan Balance</u></b></p> <p>Rick referred the Committee to page 2 of the Financial Dashboard. The items that the facility improvements loan balance has been used for is listed under Expenses.</p> <p>Discussion ended on this topic.</p>

**Payroll Outsourcing/IDC Changes/IT**

Janet informed the Committee that employee and payroll information has been provided to Workforce Unlimited (WFU). WFU will do a parallel payroll along with our in-house payroll for the July 12<sup>th</sup> payday. After that, WFU will be ready to go live with processing payroll. Rick feels comfortable with the transition since current staff will be able to verify accuracy. He believes WFU has good staff on board. With payroll outsourced, Lisa will take on rolls to provide back-up and support for Rick.

There were no questions on this topic.

**DV/SA Budget**

Rick announced that Melissa Casstevens, Yadkin Co. DV/SA Coordinator, has temporarily taken on an additional role as Deputy Director for the program. The DV/SA budgets are complicated and difficult to manage. Melissa is very good with spreadsheets and budgets and can help manage the budgets.

Discussion ended on this topic.

**Retirement Plan Update**

Janet presented two retirement plans from July and Voya that were recommended by the current representative from Wells Fargo Advisors. These plans were presented to the Personnel Committee. After review, the Personnel Committee placed the authority to make a final decision back to Kathy, Janet, and Rick. Rick highlighted the benefits of transferring to one of these plans as follows:

- Audit requirements would be eliminated
- The plans are insured (current plan is not insured by MassMutual)
- Form 5500 oversight would be provided
- Third-party administrator services would be provided which reduces YVEDDI's fiduciary responsibility
- Online capabilities for plan sponsor and employees
- Quarterly education for employees

Janet stated that there will be interviews with the representatives from both companies. Once a decision has been made, the plan chosen will be presented to the Board in presence of the company representative. Rick stated that these two plans would provide better protection for the board. He anticipates that employees will like either of the plans better than the current plan.

Mickey noted from his personal business experience, that the fees for both plans presented are high. He asked if employees would lose any money during the transition and Rick confirmed that no employees would lose money due to the transition.

There were no questions on this topic.

<b>Agenda Topic</b>	<b>Transportation</b>
Discussion	<p><b><u>Expenses vs Revenue</u></b>  Jeff distributed a spreadsheet showing the expenses verses revenue for March and April. Both months had total vehicle miles of approximately 137,000. March generated a deficit, but a surplus was generated for April. Jeff stated that the program is on pace to finish even. He noted on the spreadsheet that \$73,000 in expenses for vehicle insurance will move out of the operations budget and back into the administrative budget for FY19. Rick stated that reconciliation between Jeff’s estimates and actual data from the accounting system is working well.</p> <p>There were no questions concerning this topic.</p> <p><b><u>Managed Care Transition</u></b>  Discussion on this topic is recorded under “CTP Review – NC Medicaid funding change”.</p>

<b>Agenda Topic</b>	<b>Adjournment of Meeting</b>
Motion/Second/Time	<p><b>Rebecca Vanhoy made a motion to adjourn the meeting. Mickey Cartner seconded the motion.</b> Mickey suggested discussing changing the meeting time to work around scheduling conflicts. <b>All were in favor of the motion. The meeting was adjourned at 6:45 PM.</b></p>

Date of Next Meeting: August 14, 2018 at 5:15 p.m.

<b>Minutes Recorded By/Signature</b>	<b>Lisa Sexton</b>
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