



Finance Committee Minutes

Date: 10/09/2018	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	Jim Brown, Mickey Cartner, JoAnn Layell, Larry Johnson, and Mary Olvera. A quorum was met with 5 of 8 members in attendance.
Staff Attendance	Kathy Payne, Rick Seibert, Jeff Cockerham, and Lisa Sexton
Excused	Jimmy Walker and Marion Welborn
Absent	Rebecca Vanhoy
Approval of Minutes	Minutes from the last Finance Committee meeting on August 14, 2018 were approved at the Board of Directors meeting held on August 23, 2018.

Agenda Topic	Budgets and Financial Statements
Discussion	<p><u>August Financial Statements</u></p> <p>Rick distributed the August Financial Statements for review and discussion. NCTracks is still holding payments and causing problems. Rick began discussion on page 4 by explaining that most programs operate on a reimbursement basis. For example, the deficit showing for CSBG will be reimbursed the following month. Overall, most programs are performing well. Head Start has about \$25,000 less in expenses compared to the same period last year. Weatherization (WAP) is showing a large deficit due mainly to the rush to complete Duke program appliance installations before the program ends in December. The Duke program typically reimburses on a biweekly basis and does not overspend. After accounting adjustments in the Indirect and Admin column, the net deficit is \$117,000 at the end of August.</p> <p>Rick drew the Committee's attention to the 3rd page of the Revenue and Expense Statement that shows the same \$117,000 deficit. He then moved to the Fund Statement where he highlighted the decreased cash balance, the increased accounts receivable(AR) balance, and the decreased grants receivable balance compared to the end of August last year. Rick informed the Committee that the accounts payable (AP) balance on page 3 is significantly higher due mainly to difficulties with NCTracks funding and activity levels for WAP. He also pointed out the \$200,000 draw from the line of credit.</p> <p>Rick transitioned to the cash flow spreadsheet where the problems with NCTracks and other issues paint an ugly picture through the end of September in terms of cash receipts. Total cash receipts for September were \$619,000 including an additional \$100,000 draw from the line of credit which nets \$519,000 in cash received in September. \$850,000 to \$900,000 is needed monthly to meet obligations. This monthly obligation amount typically consists of \$350,000 to \$400,000 for vendors. Rick</p>

stated that ROAP funding from Davie and Stokes Counties was received the first week in October. We are still due ROAP funding from Surry and Yadkin Counties. YVEDDI is due approximately \$300,000 from NCTracks. Rick explained that we are experiencing issues coordinating with Surry DSS, and the situation is causing problems for YVEDDI. Rick informed the Committee that the costs in Transportation are exceeding the billing. The funding delays from NCTracks has forced a quicker response to this issue.

Jim asked questions concerning the causes for the issues with NCTracks and if other agencies experience the same problem. Kathy gave a brief description of some of the underlying issues. Rick told of another agency experiencing similar difficulties.

Discussion ended on the financial statements.

CTP Operating Review

Rick presented an analysis of the funding for Transportation (CTP). He formulated a per mile rate for revenues and expenses. He carried this method forward into a projection of FY 2020 without LogistiCare. Rick stated that the problems are identified and being worked on. The AP aging report demonstrates how Rick has been stretching out vendor payments, and there is still \$150,000 remaining on the line of credit. Penny Spainhour, Administrative Coordinator, continues to do the current billing for NCTracks, and another individual has been assigned to perform rebills. Results have still not been realized from the rebills. Rick stated that a \$1.56 cost per mile rate is competitive, and that the Transportation program is working toward bringing its overhead within the grant amounts allotted. He has seen the rates from LogistiCare and feels comfortable working with those rates.

The Committee members all expressed dissatisfaction with the funding delays from NCTracks. Kathy stated that Sylvia Jessup recently recommended a full Board discussion. Rick explained his concerns that CTP has become a cash user instead of a cash provider for YVEDDI. He also informed the Committee that he has 20 years of experience in this type of situation. YVEDDI has a good relationship with the bank, and Rick has not exhausted all measures to assist with sustaining operations. The problems are identified, and remedies are being formulated. However, Rick stated that there will likely be some service complaints as well as complaints from vendors due to slow payments from YVEDDI.

There was no further discussion on this topic.

Head Start Itemized Budget

Rick provided the Head Start itemized budget as of 10/09/18 for discussion and review. He stated that Head Start is performing well with expenses running lower than the same time period last year. Head Start has some competition in Surry and Yadkin Counties for NC Pre-K slots and funding. The deficit of \$152,000 that shows on the budget was

	<p>drawn down the day of the meeting and is scheduled to deposit into YVEDD's account on 10/10/18. Discussion ended with no questions.</p> <p><u>Credit Card Statement</u> Rick distributed the latest credit card statement for the Committee's review. He informed the Committee that the account had been charged interest due to a few unpaid old charges on Tommy Eads' card. The interest should be credited back once the charges are taken care of.</p> <p>There were no further questions concerning the credit card statement.</p>
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Agenda Topic	General
Discussion	<p><u>Audit Schedule</u> Rick informed the Committee that a new partner from the auditing firm had been assigned to our account. Someone from the firm was on-site the first week of October and will return the first week of November. Rick is pushing for the auditors to provide the audit report for the December meeting.</p> <p>Discussion ended on this topic.</p> <p><u>Payroll Outsourcing</u> Rick explained that the target date to transition to Workforce for payroll processing is now January 1st. The W-2's for 2018 will be issued by YVEDDI.</p> <p>There were no questions on this topic.</p> <p><u>BCBS Grant – MOW \$30,000</u> Rick announced that Lisa Money, Senior Enrichment Director, has secured a \$30,000 grant for meals-on-wheels from Blue Cross Blue Shield. This grant will span 3 years.</p> <p>Discussion ended on this topic.</p> <p><u>Retirement Plan Update</u> Rick informed the Committee that the Personnel Committee had voted on a choice between two different retirement plans. The plan proposed by Principle was chosen by the Personnel Committee for recommendation to the full Board. Kathy stated that the Personnel Committee felt that employee assistance and education would be better with the plan from Principle. Rick stated that the fees would still be high for the Principle plan, but also said that the audit requirement would be eliminated. Jim expressed concerns through his professional experience that Principle is not a good answer to improved employee assistance and education. Mickey also expressed reasons why he viewed the plan presented by Woodmen of the World to be a better option. On behalf of YVEDDI employees, Mickey requested an assets to liabilities report from Principle. Kathy suggested that the Committee should discuss the Finance</p>

	<p>Committee’s perspective at the Board meeting.</p> <p>There was no further discussion on this topic.</p> <p><u>Annual Fundraising Plan</u> Kathy presented the annual YVEDDI Fundraising Plan. The plan lists ongoing efforts and specific events planned for different programs. Kathy explained that some programs are not allowed to fund raise or choose not to because of very strict regulations. The agency-wide fundraiser could again be the car show which was a successful event last year. Kathy asked the Committee to approve the plan for recommendation to the full Board.</p> <p>Mickey Cartner made a motion to accept the YVEDDI Fundraising Plan as presented for recommendation to the Board of Directors. Jim Brown seconded the motion. All members voted in favor and the motion carried.</p> <p><u>United Fund Campaign – Kickoff 9/27/18</u> Kathy announced that the United Fund campaign for employee donations kicked-off on September 27th. Last year an incentive program was created to reward employees who donate with paid admin leave. Kathy stated that over \$10,000 was pledged by employees to four different United Fund agencies for 2018. Those four agencies are the Yadkin County United Fund, the Yadkin Valley United Fund, the United Fund of Surry, and the United Fund of Stokes.</p> <p>Discussion ended on this topic.</p>
Agenda Topic	Transportation
Discussion	<p><u>Expenses vs Revenues</u> Jeff provided a packet of information and began discussion with the first spreadsheet. This spreadsheet listed billed amounts, total miles, and the revenue per mile for July and August for each county. Operations in Yadkin County present the biggest challenge. Jeff stated that efforts have been made in Davie County to improve the rate of revenue per mile. He renegotiated the contract rate for Davie County Schools to \$2.03 per mile for all miles driven, not just direct miles.</p> <p>Rick stated that Transportation is incurring expenses at \$2.10 per mile. The expenses need to be at \$1.75 per mile. Rick explained that overhead expenses that cannot be charged to a grant is the biggest contributor to the unfavorable expense per mile rate.</p> <p>There were no questions on this topic.</p> <p><u>FY19 CTP Operations Budget</u> Jeff presented the CTP Operations Budget Worksheet for the Committee’s review, discussion, and approval. David Brinkley, Operations Manager, assisted with the budget process. Jeff explained that Rick has negotiated a 10% price reduction from Workforce Unlimited. Jeff feels that this is a realistic budget to meet.</p>

Mickey Cartner made a motion to accept the CTP Operations Budget Worksheet as presented and to recommend approval to the Board of Directors. Larry Johnson seconded the motion. The motion carried with a unanimous vote.

Staff Reduction

Jeff announced plans to reduce staff and reorganize the Yadkin Call Center. He projects that this plan will produce a cost savings of \$200,000 out of the \$400,000 of total cost reductions identified. Two positions have already been eliminated, with the remaining staff reductions beginning October 20th. Jeff plans to reorganize call handling and send dispatch activities back to the county offices. Rick stated that this is an effort to contain overhead within grant-funded positions.

Discussion ended on this topic.

FY 20 Grant Application Approvals

Jeff presented the Local Share Certification for Funding for FY 2020. This certification requires a public hearing. The local share required for each of the Transportation grants is listed. Jeff explained that there is flexibility between the Administrative grant and the 5311 Operating grant. The 5311 grant funds the four fixed routes. The Administrative grant has increased by \$110,000 for FY 2020 as compared to FY 19. Jeff stated that the 5310 Operating grant that supplements Elderly and Disabled (E&D) activities may not be available for FY 2020. The State may begin shifting more funding to urban areas.

Jeff asked the Committee to approve the certification and grant Kathy authority to submit the grant applications and the certification to the State. He also asked the Committee to approve holding the public hearing at the upcoming Board meeting.

Mickey Cartner made a motion to approve the Local Share Certification for Funding and to authorize Kathy Payne to submit the grant applications and the certification to the State. The motion also included approval to hold the required public hearing at the Board of Directors meeting on October 25, 2018. Jim Brown seconded the motion. Jeff stated that he would provide a script for Mickey to use for the public hearing. **The motion carried with all members in favor.**

Approval for Public Hearing – Surry and Stokes Connectors

Jeff presented information concerning plans to reconfigure the routes for the Surry/Yadkin connector and the Stokes connector. He proposes to eliminate the Elkin stop for the Surry/Yadkin connector and handle any service needs there with demand response vehicles. In Stokes, Jeff plans to eliminate the Danbury stop. Riders in that area can also be served with demand response vehicles or possible deviations from the fixed route. Jeff explained that a 10% change in the connector routes requires a public hearing and Board approval.

	<p>Mickey Cartner made a motion to approve the proposed changes to the Surry/Yadkin connector route and the Stokes connector route. The motion included approval to hold the required public hearing at the Board of Directors meeting on October 25, 2018. The motion carried with a unanimous vote.</p>
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Agenda Topic	Adjournment of Meeting
Motion/Second/Time	Mickey Cartner made a motion to adjourn the meeting. Larry Johnson seconded the motion. All were in favor of the motion. The meeting was adjourned at 6:45 PM.

Date of Next Meeting: December 4, 2018 at 5:15 p.m.

Minutes Recorded By/Signature	
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