



# *Finance Committee Minutes*

Date: 12/04/2018	Time: 5:15 p.m.	Location: District Office
------------------	-----------------	---------------------------

Call to Order	Marion Welborn, Committee Vice-Chair, called the meeting to order.
Committee Members Attendance	Mickey Cartner, Larry Johnson, Marion Welborn, Rebecca Vanhoy, 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, Jim Brown, and JoAnn Layell
Approval of Minutes	Minutes from the last Finance Committee meeting on October 9, 2018 were approved at the Board of Directors meeting held on October 25, 2018.

Agenda Topic	Budgets and Financial Statements
Discussion	<p><b><u>September and October Financial Statements</u></b></p> <p>Rick distributed the September and October Financial Statements for review and discussion. He focused mainly on the October statements for discussion. Concerning the Fund Statement, Rick stated that the cash balance improved somewhat in October due to receipt of ROAP funds from three counties. The accounts receivable (AR) balance has dropped. Jeff has an employee working on NCTracks rebilling, and the current billing process is working more smoothly now. This is reflected in the cash balance and AR balance. The grants receivable balance is ahead of last year at this time, however, Rick does not see a major concern. The accounts payable (AP) balance is up compared to last year. This is due to the timing of vendor payments. Some of the AP balance was cleared out in November. Rick stated that most vendors have been willing to work with YVEDDI during the first quarter of the fiscal year. Other liabilities are running as normal. Rick stated that \$1 million in cash was collected in November, and the credit line has been paid down to \$100,000.</p> <p>Rick moved forward to the Revenue and Expense Statement. The revenue is comparable to last year at this time. Costs have increased. Rick explained that current depreciation is greater than capitalization of fixed assets causing a reduction in net assets. The \$290,000 deficit on page 3 is a combination of the current deficit in Transportation and the depreciation cost.</p> <p>On the last page of the Agency Statement, Rick explained that most programs have receivables (grant and AR) that are due which will cover the deficits listed. He took a detailed look at Transportation (CTP) when preparing the Agency Statement. Rick explained that he had met with Kathy and members of the Transportation staff to address the deficit and develop plans for the second half of the year. Rick's finance perspective and Jeff's service perspective need to be combined to effectively develop</p>

a plan.

Rick stated that the cash flow projection he provided is current as of the day of the meeting. October and November cash receipts showed an improvement. Looking forward into the end of December, Rick expects receipts to decrease. He plans to issue cash disbursements as cash is received. Thus far, there have not been any adjustments to service levels.

Discussion ended on the financial statements.

### **Dashboard**

Rick presented the Financial Dashboard for the year to date as of the end of October. The dashboard highlights many of the items already discussed. Rick explained that the effects of the transition to Medicaid Managed Care (MMC) is already showing through the dashboard. The primary impact will be in Transportation, but OAA and WAP may be impacted as well. YVEDDI needs to continue to prepare to participate in MMC across all programs potentially impacted.

Rick informed the Committee that the unrestricted reserves balance had decreased from almost \$1 million at June 30, 2017 to \$331,000 at the end of October 2018. The changes in Medicaid services and increasing competition from Cape Fear are the major contributing factors to the decrease in unrestricted reserves. NC Pre-K (NCPK) is the only remaining source of unrestricted funding. However, enrollment is down for Head Start which translates to less funding from NCPK. Rick stated that the unrestricted reserve balance needs to return to \$500,000 by the end of the fiscal year to stay at current service levels.

Larry provided some insight about the competition from Cape Fear in Surry County. Jeff, Kathy, and Larry discussed the recent history of the Medicaid services in Surry County as well as suggestions for adjustments to help hold back the competition.

There was no further discussion on this topic.

### **Head Start Itemized Budget**

Rick provided the Head Start itemized budget as of the end of November for discussion and review. He stated that Head Start had a \$99,000 surplus at the end of November due to NCPK funding. Head Start usually begins spending NCPK funds around May after Federal funds are expended. Drawdowns are completed for Head Start as expenses are incurred.

Discussion ended with no questions.

### **Credit Card Statement**

Rick distributed the latest credit card statement for the Committee's review. There has been an increase in activity due to an increase in orders from Amazon. Purchases from Amazon are handled through the

	<p>Purchasing Manager. Lisa reconciles the credit card accounts by tracking each purchase and payment. Rick informed the Committee that recent hotel and airline charges were expenses related to a regional conference for Head Start.</p> <p>There were no further questions concerning the credit card statement.</p>
--	--

Agenda Topic	General
Discussion	<p><b><u>Audit</u></b> Rick stated the he is still going back and forth with the auditors to finalize a few remaining items. He hopes to receive the audit report within the next two weeks.</p> <p>Discussion ended on this topic.</p> <p><b><u>Retirement Plan Transition Update</u></b> Kathy informed the Committee that all the scheduled retirement plan meetings were complete. Janet is working to follow up with those who missed attending a meeting. The Woodmen staff worked with all employees who attended one of the meetings. Jeff shared his personal experience to explain how Woodmen staff tailored each employee's investment plan to meet the individual's risk comfort. Rick stated that no money has been transferred to the new plan yet, but that should take place in January.</p> <p>There were no questions on this topic.</p> <p><b><u>United Fund Campaign</u></b> Kathy announced that United Fund campaign was a success again this year. Employees have donated, or pledged to donate, \$11,032 to four different United Fund agencies. The incentive plan awarding paid admin leave for donating has proven to be a useful encouragement to donate.</p> <p>Discussion ended on this topic.</p> <p><b><u>Garrison Building Donation</u></b> Kathy was pleased to inform the Committee that Gray Garrison donated the property housing the new Yadkinville Head Start. Rhonda Wrenn secured a grant to fund most of the cost of renovations at this property. After renovations, the property was appraised at \$485,000. The facility includes three classrooms, a multi-purpose room, a kitchen, laundry facilities, child-sized restrooms, and two offices.</p> <p>There was no further discussion on this topic.</p>
Agenda Topic	Transportation
Discussion	<p><b><u>Expenses vs Revenues</u></b> Jeff provided a packet of information for the Committee to review and discuss. Transportation (CTP) expenses have exceeded revenues as demonstrated in the financial statements. Revenues have decreased while expenses such as driver salaries and maintenance costs have</p>

increased. Jeff explained that the first phase of the CTP reorganization was completed in October with the elimination of three reservationist positions and one dispatch position. The phone system was updated to route current-day calls to the county dispatchers. Jeff and other CTP staff are evaluating other overhead positions in consideration of further staff reductions.

Jeff introduced a new billing model currently used by LogistiCare. Jeff provide information comparing the current billing for a specific client to what the billing would look like using the new model. Overall, the new model generated more revenue. Jeff explained that this model is best suited for clients with a higher concentration of short trips as opposed to long trips. Using this model with the appropriate clients could make CTP more competitive with Cape Fear. Jeff stated that this model could help prepare for MMC. Jeff requested approval from the Committee to begin using this model on a trial basis with selected clients. The clients would be selected in consensus with Rick and Kathy.

**Mickey Cartner made a motion to allow CTP to begin using the new billing model discussed with clients selected by Jeff, Rick, and Kathy. Marion Welborn seconded the motion. With no further discussion, the motion carried with a unanimous vote.**

**Possible School System Contract Cancellation**

Jeff began a discussion concerning the possible cancellation of the Davie County Schools contract. At the current billing rate, this contract does not generate revenue. Medicaid services have historically subsidized this contract. As YVEDDI prepares to transition to MMC, it is necessary to consider what services CTP can provide in case Medicaid services discontinue. Jeff explained that the billing rate would need to increase from \$2.02 to somewhere between \$2.30 and \$2.40 for this school system contract to support itself. Jeff discussed beginning conversations with Davie County Schools to address this issue. Mickey stated it would be a good idea to start the discussion with current YVEDDI Board member, Mark Jones from Davie County who has connections with the Davie County School Board. Mickey agreed to arrange a meeting with himself, Mark, Jeff, and Kathy. Mary explained that Federal Regulations that require the school system to provide the service that CTP is currently providing should be a motivator for the school system to agree to the rate increase.

Discussion ended on this topic.

**FY19 Admin Budget**

Jeff presented the CTP Administrative Budget for the Committee's approval. The budget total was approved by the Committee at the October 10, 2017 Finance Committee meeting. However, the budget details were not presented or approved at that time. Jeff requested the Committee to approve the detailed CTP Administrative Budget for FY 19.

	<p><b>Larry Johnson made a motion to approve the detailed CTP Administrative Budget for FY 19 as presented. Mary Olvera seconded the motion. The motion carried with a unanimous vote after no further discussion.</b></p> <p><b><u>Car Purchase for PTRC</u></b></p> <p>Jeff reminded the Committee that the PTRC has requested a vehicle with third row seating to lease from CTP. Jeff researched possible vehicles and has narrowed the decision to a choice between a Ford Explorer and a Chevy Traverse. Rick stated that financing for the vehicle is available through Capital Bank. After the leased vehicle has reached 75,000 miles, the PTRC would return the vehicle to YVEDDI to be replaced by another vehicle. At this point, the revenue from the lease is enough to pay for the finance cost of the original purchase. Jeff explained that the vehicle would then be used by YVEDDI staff for business travel. Jeff requested permission from the Committee to choose a vehicle to purchase for lease by the PTRC. The price of the vehicle chosen would not exceed the two examples provided to the Committee at the time of the meeting.</p> <p><b>Mickey Cartner made a motion to grant Jeff permission to purchase a vehicle for lease by the PTRC comparable to the examples provided at the time of the Committee meeting. Larry Johnson seconded the motion. All voted in favor of the motion.</b></p> <p>Discussion ended on this topic.</p>
--	--

<b>Agenda Topic</b>	<b>Other</b>
Discussion	<p><b><u>Agency-wide Fundraiser</u></b></p> <p>Kathy expressed the need to begin plans for the annual agency-wide fundraiser. Larry recommended forming a committee comprised of six individuals to formulate ideas and ultimately plan the fundraiser chosen. He stated that the fundraiser could be different from last year. Larry would like to see less sponsorship money spent on entertainment, which allows YVEDDI to retain more of the proceeds from the fundraiser. Larry asked Kathy to consider individuals that should be on the fundraising committee and get back in touch with him at a later date. Once formed, the committee can meet without involving a full Board discussion at the December meeting.</p> <p>There was no further discussion on this topic.</p>

<b>Agenda Topic</b>	<b>Adjournment of Meeting</b>
Motion/Second/Time	<b>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 7:00 PM.</b>

Date of Next Meeting: February 12, 2019 at 5:15 p.m.

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

