



Finance Committee Minutes

Date: 04/08/2019	Time: 5:15 p.m.	Location: District Office
------------------	-----------------	---------------------------

Call to Order	Jim Brown, Committee Chairperson, called the meeting to order.
Committee Members Attendance	Jim Brown, Mickey Cartner, Larry Johnson, Marion Welborn, Rebecca Vanhoy, Joyce Bryant, and Mary Olvera. A quorum was met with 7 of 8 members in attendance.
Staff Attendance	Kathy Payne, Rick Seibert, Jeff Cockerham, Janet Phillips, and Lisa Sexton
Excused	Jimmy Walker
Approval of Minutes	Minutes from the last Finance Committee meeting on February 12, 2019 were approved at the Board of Directors meeting held on February 28, 2019.

Agenda Topic	2019 Car Show Fundraiser
Discussion	<p><u>Accomplishments and Things to Do</u></p> <p>Larry presented the car show fundraiser checklist detailing what has been accomplished to date and items that still need to be addressed. Subjects discussed included admission price, raffle ticket sales, 50/50 giveaway tickets, winner plaques, judges, parking, food vendors, silent auction items, band confirmation and sponsorship, marketing efforts, security, Port-A-Johns, and general supplies needed. The Committee suggested moving the band inside the conference room in the event of rain. The checklist is attached and includes action items confirmed at this meeting.</p> <p>Discussion ended on this topic.</p>

Agenda Topic	Budgets and Financial Statements
Discussion	<p><u>January and February Financial Statements</u></p> <p>Rick provided the January and February financial statements for review and discussion. Rick focused on the February statements and began discussion on the last page of the Agency Statement of Revenue and Expenses. Rick explained that all the deficits showing for the different programs at the end of February are reimbursable expenses except for Transportation (CTP). The deficit for CTP is not reimbursable. Overall, there was a deficit of \$434,000 at the end of February. Jim asked when the reimbursement for Weatherization expenses will be received. Rick stated that the reports are filed by the 10th of the month and reimbursements are received typically in the fourth week of the month.</p> <p>Rick moved forward to the cash flow projection through the end of FY 19. The cash flow projection shows that there will be a deficit in the cash balance by the end of next week if no other revenues are received. Cash is still very tight. Last week, there was no funding from NCTracks for current billing or old billing. Rick stated that we don't seem to be</p>

collecting for old billing. Janet informed the Committee that you cannot rebill for anything older than 12 months. Rick ended the cash flow discussion by stating that the third payroll in May will be very difficult to fund.

Rick moved forward to the Fund Statement at the end of February. The cash balance at the end of February was \$527,000. The accounts payable (AP) balance was \$324,000. Rick explained that he tries to maintain a bank balance of \$200,000 to cover payroll costs.

Discussion ended on this topic.

Agency Budget for FY 2020 and Cash Flow

Rick presented the proposed FY 2020 Agency Budget. Rick completed a cash flow projection for FY 2020 to assist in formulating the budget. He drew the Committee's attention to the difference in total budgeted revenues between FY 19 and FY 2020. The total budgeted revenues of \$8.25 million for FY 2020 is down from \$10.75 million for FY 19. Rick explained that the FY 2020 budget shows \$0 program income for CTP. At this point, Rick stated that there is uncertainty concerning funding for CTP to operate in FY 2020, specifically at the beginning of the fiscal year. The cash reserve is no longer there forcing CTP to shrink going into FY 2020. Rick also explained that there will be a \$250,000 deficit for FY 2020 for depreciation in excess of capitalized assets. Payroll will need to drop significantly in FY 2020 from \$4.3 million for FY 19 to \$3.8 million for FY 2020. Due to Medicaid Managed Care (MMC), Rick explained that the past method of operations for CTP will no longer work. Looking back, the Transportation program was the primary provider of unrestricted reserves for the agency, and that will not be available going forward into FY 2020. Larry summarized by saying that the changes made at the State level is hurting YVEDDI. Rick stated that CTP will now have to work within the grant funding just as other programs do. Rick anticipates the soft-launch of MMC to begin on June 1st.

Kathy informed the Committee that YVEDDI will request the Counties to advance the ROAP funds for the 1st quarter of FY 2020 and may also ask for an advancement of the 1st quarter county appropriation.

Mary Olvera made a motion to accept the Agency Budget for FY 2020 as presented and recommend approval to the Board of Directors. Larry Johnson seconded the motion. The motion carried with a unanimous vote.

Head Start Itemized Budget

Rick presented the Head Start budget run as of the date of the meeting. Head Start is running well. The deficit showing will be drawn down this week with next day availability.

There were no questions concerning the Head Start budget.

	<p><u>Credit Card Statement</u></p> <p>The Committee reviewed the most recent credit card statement. Rick stated that there are some Amazon charges that are currently being worked through. The interest charges incurred are typically credited back the next month. Lisa reconciles the statement monthly. Larry asked about the current interest rate. Jim pointed out the rate of 16.24% listed on the statement.</p> <p>Discussion ended on this topic.</p>
--	--

Agenda Topic	General
---------------------	----------------

Discussion	<p><u>Line of Credit Renewal</u></p> <p>Rick announced the tentative approval from the bank to renew the current line of credit at \$450,000. It is set to renew on May 9th. Rick explained that the line of credit is used typically during the first quarter of the fiscal year and paid back upon receipt of ROAP funds. Jim and Mickey both asked about items that were discussed in the last Executive Committee meeting concerning an increase in the line of credit and use of the property at the District Office as collateral. Rick stated the bank is not currently willing to increase the line of credit with the uncertainty surrounding MMC. After there is more clarity concerning MMC, the option to increase the line of credit or secure a long-term loan can be discussed again. Rick believes that putting the current credit line in place by the May 9th renewal date is the best option at this time.</p> <p>Mary Olvera made a motion to renew the line of credit at the current level of \$450,000. Marion Welborn seconded the motion. The motion carried with a vote of 6 members in favor and 1 member opposed.</p> <p>Jim Brown made a motion to name Rick Seibert, Finance Director, and Kathy Payne, Executive Director, as authorized signers to execute the line of credit renewal. Marion Welborn seconded the motion. All members voted in favor of the motion, and the motion carried.</p>
------------	--

Agenda Topic	Transportation
---------------------	-----------------------

Discussion	<p><u>Contract Amendment Status</u></p> <p>Jeff distributed a packet of information and began discussion on page 12. This page listed the contracting agencies, the original billing rate, the new billing rate, the effective date of the new contracts, and whether the contract had been signed and returned. He explained that the \$1.85 per vehicle mile rate had been discussed and approved last year around this time with negotiable direct mile rates for each of the contracts. Surry DSS was offered a slightly lower rate at that time due to the threat of losing the service. Jeff explained that CTP began redoing contracts at the beginning of March. The Logisticare model was used for some of the new contracts. Using this model, long trips would be an area in which the program could lose money. Instead of using the Logisticare rate for long trips, Jeff stated that the rate for these long trips will be \$3.65. Some agencies may choose not to use the service at this rate, but Jeff believes</p>
------------	---

this to be a means to reduce services as previously discussed in the meeting. Jeff stated that he expects there to be some negative feedback and some agencies that will terminate their contract with YVEDDI.

Discussion ended on this topic.

Letter from NCDOT

The first 2 pages of Jeff's packet contained a letter from the North Carolina Department of Transportation (NCDOT) concerning Managed Care Organizations (MCO) and Transportation brokers. Jeff emphasized the section of the letter where the NCDOT stated that it is premature for providers to enter into contracts without a MCO agreement in place. Jeff will participate in a webinar on Thursday concerning MMC. Also, Jeff and Kathy will be attending a meet and greet for providers at Moses Cone Hospital next week.

There was no further discussion on this topic.

Scheduling Software

Jeff distributed copies of three invoices from the current scheduling software, TripSpark, totaling \$59,000. One of these invoices is past-due. Jeff has been looking for other software providers, and presented a pricing list from CTS Software. He stated that YVEDDI could save \$162,000 over 6 years by switching to CTS. Current CTP staff had an opportunity to observe the CTS software in use and liked the functionality of the software. To address concerns from Rick, Jeff stated that the software would have the capability for file uploads directly into the Accounting system and to Logisticare. Kathy was concerned about financing the purchase of new software. Jeff gave information about the payment options available from CTS. Rick stated that the financing could be available after some of the uncertainty surrounding MMC clears. Rick informed the Committee that the purchase of new scheduling software requires three cost quotes to comply with OMB regulations. The discussion will also need to flow through the IT committee before a decision is made. Larry recommended paying TripSpark for a prorated amount. Jim suggested contacting TripSpark to explore the possibility of making monthly payments to ensure that YVEDDI only pays for the months that TripSpark is actually used instead of binding for the entire year.

Larry Johnson made a motion to approve the transition to new scheduling software pending that the following 3 conditions are met: must solicit 2 additional bids, the IT committee must approve the software chosen, and a partial payment arrangement must be made with the current software provider. Jim Brown seconded the motion. The motion carried with a unanimous vote.

Budget Formats

Jeff made a request to simplify budgets for his programs to make them easier to understand. Rick stated that uploads from the scheduling

	<p>software would assist with that. Mary commented that data would be real-time with software uploads and billing would be generated faster also.</p> <p>Discussion ended on this topic.</p>
--	--

Agenda Topic	Adjournment of Meeting
Motion/Second/Time	Larry Johnson made a motion to adjourn the meeting. Mickey Cartner seconded the motion. With all members in favor of the motion, the meeting was adjourned at 7:15 PM.

Date of Next Meeting: June 11, 2019 at 5:15 p.m.

Minutes Recorded By/Signature	
--------------------------------------	--