



Finance Committee Minutes

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| Date: 06/13/2017 | Time: 6:00 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, JoAnn Layell, Marion Wellborn, Beverly Essick, Jimmy Walker, and Mickey Cartner. There was a quorum with 6 of 8 members present. |
| Staff Attendance | Rick Seibert, Kathy Payne, Jeff Cockerham, Kevin Edwards, and Lisa Sexton |
| Excused | Larry Johnson and Cindi Dixon |
| Approval of Minutes | Minutes from the last Finance Committee meeting on April 18, 2017 were approved at the Board of Directors meeting held on April 27 2017. |
| Election of Vice Chairperson | Mickey Cartner nominated Marion Welborn for Vice Chairperson of the Finance Committee. Jimmy Walker seconded the motion. There were no other nominations. All were in favor of the motion. Marion Welborn was elected as Vice Chairperson of the Finance Committee. |
| Selection of Meeting Day and Time | Jim Brown made a motion that future meetings of the Finance Committee be held on the second Tuesday of the same month of the Board of Directors meeting at 6:00 PM. Marion Welborn seconded the motion. All were in favor and the motion carried. |

| Agenda Topic | Budgets and Financial Statements |
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| Discussion | <p><u>Agency Financial Statements – March and April</u></p> <p>Rick distributed a packet of information that included the financial statements for March and April. The Committee focused mainly on the April statements. Rick drew the Committee’s attention to the cash balance on page 1. The cash balance has increased to \$651,000 due to receipt of the third quarter Rural Operating Assistance Program (ROAP) funds and receipt of funding from the Piedmont Triad Regional Council (PTRC), which typically runs two months behind expenses.</p> <p>Rick continued to pages 5-7 containing the Revenue and Expense Statement as of April 30th. He stated that total receipts remain consistent year over year with \$11.2 million this year compared to \$11.3 million last year. Personnel costs have increased by close to \$200,000. This is mainly due to pay increases issued as the result of the wage comparability study. Other expenses remain relatively flat from last year to this year. The net surplus at the end of April is down from \$259,000 last year to \$78,000 this year. This reflects the change in personnel costs.</p> |

Moving forward to pages 8-11, the Committee discussed the Agency Statement of Revenues and Expenses. Focusing on page 11, Rick explained that the Community Services Block Grant (CSBG) program is looking good. The \$41,000 deficit showing was collected in May. Head Start and Child Food programs are running well. Head Start expends funds and then draws down funding from the Federal grant. Rick stated that OAA currently is operating at a surplus as of the end of April. The program has been able to double the number of meals provided in Surry County and is close to doing the same in Yadkin County. Weatherization (WAP) has performed well this year. The Duke Helping Hands program has billed about \$1.25 million to date and is running about a \$50,000 surplus. Rick explained the program is now installing fewer heat pumps but has increased the number of appliances installed such as washing machines, dryers, and refrigerators. Tommy Eads and the WAP staff have done a great job utilizing the Duke Helping Home funding. Transportation is looking good, especially after receiving the third quarter ROAP funds. Rick reported that the Domestic Violence (DV) programs have received the majority of funds awarded. The Local Service Programs, which includes the Senior Centers, is showing a \$75,000 deficit at the end of April. Rick stated that \$50,000 of the deficit was received on June 1st from the PTRC. The PTRC has held most of the funding that they award to the senior centers for almost the entire fiscal year. The Senior Centers have struggled this year and will likely end the year with a \$10,000 deficit in each county. One part-time staff member at the Surry County Senior Center (SCSC) ended employment during this year which will help decrease expenses for the SCSC going into the new fiscal year. Rick also explained that YVEDDI has asked Surry County for an increase in funding for the Senior Center located in Jonesville to add to the funding received from Yadkin County. This location services residents from both counties. Other than the Senior Centers, Rick stated that, overall, YVEDDI is performing well this fiscal year. Rick stated that once the Yadkin County award letter was received for FY18, a review of the Yadkin County Senior Center operations would occur and decisions made regarding the level of operations to be maintained.

After fielding questions concerning individual lines of the statements, there was no further discussion concerning the financial statements.

Financial Dashboard

This was provided but not discussed by the Committee.

Cash Flow

The Committee reviewed the Projected Cash Flow spreadsheet provided by Rick on page 23 of the information packet. Rick monitors the cash balance daily. In terms of cash flow, Rick stated that April

was a good month. Looking at the June 9th column provides a look into where YVEDDI stands currently.

Discussion ended on this topic.

Head Start Itemized Budget.

Rick provided the Head Start budget statement as of June 12, 2017 on pages 28-33 of the information packet. He informed the Committee that Rhonda Wrenn has done a great job this year. Projections for the end of the year show the program ending well. The deficit showing of the Budget Statement will be collected since the program is on a reimbursement basis.

Mickey asked how Migrant Head Start (MHS) is doing. Rick stated that YVEDDI's MHS Program is one of the few that actually met enrollment for last year. He is expecting another good year from Yolanda Saffo and staff.

There were no further questions and discussion ended on this topic.

Credit Card Statement

The recent credit card statements were provided by Rick along with the reconciliation spreadsheet on pages 34-40 of the information packet. Rick stated that the Program Directors are managing their cards well. He pointed out that there are no interest charges on the account because charges are paid off throughout the month.

Discussion ended on this topic.

Migrant and Regular Head Start COLA Awards

Rick informed the Committee that Head Start and MHS have both been awarded a Federal COLA of 1%. These COLA awards are for FY 18.

There were no questions concerning this topic.

Other

Rick provided a Transportation Funding Analysis for the 3rd quarter on page 24 of the packet of information. Rick reminded the Committee that Transportation generates a significant amount of its revenue in Surry County from Medicaid billings. Rick and Jeff Cockerham indicated that YVEDDI plans to reduce the contracted billing rate from \$3/mile currently to \$2.90/mile for FY 18. Jimmy asked for a justification for the rate reduction. Jeff responded by discussing a recent article published in the Mt. Airy News. The Mt. Airy News reported that the Director of the Surry County Department of Social Services (DSS) plans to research services provided by other providers, specifically private providers. Jeff and Rick agree that the

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| | <p>rate reduction will keep YVEDDI competitive in an effort to retain the DSS business.</p> <p>There was no further discussion on this topic.</p> |
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| Agenda Topic | General |
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| Discussion | <p><u>FY 17-18 Agency Budget and Cash Flow</u></p> <p>The Agency Statement of Revenues and Expenses Plan for FY 17-18 was provided on page 41 on the information packet. Rick explained that he will have to adjust this statement because the new buses that Transportation plans to purchase will not arrive in FY 17 as expected, but will now be recorded in FY 18. He also announced that YVEDDI expects to have a possible 15-25% increase in health insurance premiums. This could come to an additional cost of up to \$200,000 for the new plan year beginning December 1st. Rick is confident that Skip Woody, YVEDDI's insurance broker, will research all options available to lower the premium increase and reduce the impact that it could have on the budgets and employees.</p> <p>The Committee had no further discussion concerning this topic.</p> <p><u>System Improvements Update</u></p> <p>Rick explained that YVEDDI continues to make efforts to improve systems and processes. The Accounting software can now generate blanket purchase orders (PO's). The software has the capability to record accounts payable (AP) invoices against the blanket PO. This allows for better tracking of specific expenses related to the same PO. The software is also capable on tracking PO's per vehicle to allow Transportation to track expenses by vehicle number.</p> <p>Discussion ended on this topic.</p> <p><u>Yadkinville Head Start Building Update</u></p> <p>Head Start continues forward with renovations to the building that will house the new Yadkinville Head Start classrooms. Rick informed the Committee that a grant may be available to help fund the renovations.</p> <p>Discussion ended after Rick fielded questions from the Committee.</p> |

| Agenda Topic | Transportation |
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| Discussion | <p><u>Expenses vs Revenues</u></p> <p>Jeff provided a spreadsheet and graph titled CTP Summary of Projected Expenses and Associated Revenues. Jeff highlighted the total estimated cost for April of \$213,547 and the total revenue billed for April of \$221,785. This creates a gross profit for the month of \$8,238. The spreadsheet also demonstrated the year-to-date (YTD) total vehicle miles, estimated costs, total amount billed, and the estimated net revenue. The estimated net revenue YTD is</p> |

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| | <p>\$124,942. Jeff's information also stated the percentage of total billing that is for Medicaid services compared to all other services for each county. Surry County has the highest percentage of Medicaid billing at 64%. Davie County has 0% Medicaid billing. Marion questioned why there is a big difference in the percentages between Surry and Yadkin Counties. Jeff explained that Cape Fear provides much of the Medicaid services in Yadkin while Surry gives all its Medicaid business to YVEDDI.</p> <p>Discussion ended on this topic.</p> <p><u>Medicaid Trips – Usage Impact on Efficiencies</u></p> <p>The chart provided by Jeff demonstrated the efficiency by county as a function of billable miles verses total vehicle miles. Surry County has a higher efficiency rate due mainly to the higher percentage of Medicaid routes. Jeff explained that Medicaid routes are more efficient than other routes. Davie is a close second in efficiency due to 7 high-efficiency school routes. Jeff concluded that increasing Medicaid services in Davie and Yadkin Counties would improve efficiency and lower overall costs.</p> <p>There was no further discussion on this topic.</p> <p><u>Other</u></p> <p>Jeff presented an information sheet prepared by the North Carolina Department of Transportation (NCDOT). This information sheet explains the benefits of the Transportation program provided by YVEDDI. Using 2014 data, the statistics show that YVEDDI Transportation provides the following annually:</p> <ul style="list-style-type: none"> • 134,000 trips • \$9.13 million in statewide business output • \$2.13 million in benefits to the local community • Supports 166 jobs resulting in \$3.34 million in wages <p>Jeff stated that more riders on YVEDDI vehicles equals lower costs overall which improves the community as a whole. Jimmy felt these are good talking points to assist in making presentations to the county boards of directors.</p> <p>There were no questions and discussion ended on this topic.</p> |
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| Agenda Topic | Other |
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| Discussion | <p><u>Cannon Foundation Financial Award</u></p> <p>Rick announced that Kathy had done a tremendous amount of work to secure a grant from the Cannon Foundation. Rick explained that \$45,000 of the grant would be used to replace the roof at the Senior Center in Yadkinville. Currently, YVEDDI has only been offered a 1-year lease at this facility. Rick explained that the grant requires at least a 5-year lease. Kathy and Rick will continue to negotiate for a</p> |

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| | <p>longer lease. Marion asked what company would do the roof replacement at the Senior Center. Rick stated that Garland had done a good job at another YVEDDI facility and would be a good choice to replace the roof in Yadkinville.</p> <p>There was no further discussion on concerning this topic.</p> |
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| Agenda Topic | Adjournment of Meeting |
| Motion/Second/Time | Mickey Cartner made a motion to adjourn the meeting. Marion Welborn seconded the motion. All were in favor and the motion carried. The meeting was adjourned at 7:30 p.m. |

Date of Next Meeting: August 8, 2017 at 6:00 p.m.

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| Minutes Recorded By/Signature | |
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