

RAPPAHANNOCK AREA COMMUNITY SERVICES BOARD  
**FINANCE COMMITTEE MEETING**  
Tuesday, September 12, 2017, 12:30 p.m.  
Ronald W. Branscome Building  
Board Room 208, 600 Jackson Street, Fredericksburg, VA

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**PRESENT**

Al Collins, Chair  
Jack Rowley  
Ken Lapin  
Debbie Draper  
Ellen Sears  
Lawrence Davies  
Tina Sears  
Greg Sokolowski

**ABSENT**

**OTHERS PRESENT**

Jane Yaun, *Executive Director*  
Rhonda Pellicano, *Finance and Administration Director*  
Nancy Cronin, *Financial Analyst*  
Joe Wickens, *Community Support Services Director*  
Amy Umble, *Public Information Officer*  
Andrea Merwin, *Administrative Associate*  
Kelly Young, *Internal Auditor*  
Alison Standring, *Part C Coordinator*

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**ISSUE:**

**PART C END OF FISCAL YEAR 2017 REPORT**

**DISCUSSION:**

Alison Standring reported to the Committee that the Part C fiscal report for FY 2017 shows that the program received \$2,466,715.64 in combined revenue for the three program areas of RACSB that make up the Part C system. Expenses through the end of the fiscal year were \$1,977,031.72. During the Fiscal Year, RACSB's Part C programs served 808 infants and toddlers and processed 618 referrals.

**ATTACHMENT I**

**ACTION TAKEN:**

It was moved by Ken Lapin and seconded by Lawrence Davies that the Committee recommends the Board approve the Part C End of Fiscal Year 2017 Report as presented by staff. The motion was unanimously approved. Mrs. Standring departed the meeting.

**ISSUE:**

**JUNE 2017 FINANCIAL REPORT**

**DISCUSSION:** Nancy Cronin presented to the Committee the Fiscal Year Financial Report. Fiscal Year (FY) 2017 revenues of of \$41,209,105 are \$3,953,917 or 10.61% more than Fiscal Year 2016 as of June 30, 2017. Expenses of \$37,162,411 are \$2,458,603 or 7.08% more than FY16. The Net Revenue of \$4,046,694 is \$1,495,315 or 58.61 % more than FY16.

Rhonda Pellicano explained that Rappahannock Adult Activities Inc. had a smaller loss than what is in the report, because it does not include reimbursements that came in after the report. She reminded the Committee that RAAI faced significant budget issues because of a change in the Medicaid waiver reimbursements. She also reminded the Committee that Myers Drive Respite Home operates at a loss and is subsidized by other RACSB programs.

Joe Wickens explained that the waiver changes affected RAAI and that management eliminated positions and changed the program to reduce the budget shortfall. He said that the program is attracting more individuals, which could help the financial situation.

Jack Rowley asked if Board Members could do anything to help. Mr. Wickens replied that RAAI staff members are increasing their outreach efforts, but may later need help from the Board.

Debbie Draper asked if any more personnel cuts were expected, and Mr. Wickens said none were expected, and they were adding part-time positions to meet the demands of increased community engagement.

**ATTACHMENT II**

**ACTION TAKEN:** It was moved by Jack Rowley and seconded by Lawrence Davies that the Committee recommends the Board approve the June 2017 Financial Report as presented by staff. The motion was unanimously approved.

**ISSUE: JUNE 2017 FINANCIAL TREND REPORT**

**DISCUSSION:** Mrs. Cronin presented to the Committee the year-to-date revenue and expense trends in each of the major program areas as of June 30, 2017 for Fiscal Years 2015 to 2017. She indicated inter-department transfers and capital projects are not included in the report. The report provided graphs for the individuals served, revenue, expenses, and net revenue.

**ATTACHMENT III**

**ACTION TAKEN:** No action necessary.

**ISSUE: JUNE 2017 INVESTMENT REPORT**

**DISCUSSION:** Rhonda Pellicano presented to the Committee a Summary of Cash and Investments by Depository for June 2017.

As of June 30, 2017, cash and cash equivalent investments totaled \$19,921,996, which is .46% less than the prior month and 2.58% less than June 30, 2016. Of the investments, \$19,891,909 or 99% is with Union Bank and \$30,087 is invested in the Local Government Investment Pool. were \$20,013,462. This amount is .01% lower than the previous month and 16.71% higher than the previous year. A total of \$19,983,401.47 or 99% is deposited at Union Bank & Trust and \$30,061 in the Local Government Investment Pool (LGIP).

**ATTACHMENT IV**

**ACTION TAKEN:** It was moved by Jack Rowley and seconded by Debbie Draper that the Committee recommends the Board approve the June 2017 Investment Report as presented by staff. The motion was unanimously approved.

**ISSUE: JUNE 2017 REIMBURSEMENT REPORT**

**DISCUSSION:** Rhonda. Pellicano presented to the Committee a report of fee collections for June 2017.

Year-to-Date fee revenue of \$24,286,920 as of June 30, 2017, is \$2,755,267 or 13%, higher than the prior year. Fee revenue collections were 101% of budget for the fiscal year.

**ATTACHMENT V**

**ACTION TAKEN:** No action necessary.

**ISSUE: JUNE 2017 OPEB TRUST FUND REPORT**

**DISCUSSION:** Rhonda. Pellicano presented to the Committee the Other Post-Employment Benefits (OPEB) Report for June 2017.

The June 2017 OPEB cost value is \$1,277,576 which is \$322,956 or 34% more than the initial investment of \$954,620. The market value of \$1,905,232 is \$950,612 or 99.58% more than the initial investment. The market value variance increased 15.46% from the prior month.

**ATTACHMENT VI**

**ACTION TAKEN:** No action necessary

**ISSUE: JUNE 2017 HEALTH INSURANCE ACCOUNT REPORT**

**DISCUSSION:** Rhonda Pellicano presented to the Committee the Health Insurance Account Report for June 2017. The health insurance account had an ending balance of \$1,566,229 on June 30, 2017. Year-to-date premiums deposited in the account, \$3,008,260 are higher than year-to-date claims of \$2,844,400 by \$163,860.

**ATTACHMENT VII**

**ACTION TAKEN:** No action necessary.

**ISSUE: JUNE AND JULY 2017 REPRESENTATIVE PAYEE AUDIT REPORT**

**DISCUSSION:** Kelly Young presented to the Committee the June and July 2017 Representative Payee Audits. She reported that 4% of accounts had at least one audit finding during the month of June. There were no audit issues noted during July.

**ATTACHMENT VIII**

**ACTION TAKEN:** No action necessary.

**ISSUE: YEAR-END PERFORMANCE CONTRACT**

**DISCUSSION:** Rhonda Pellicano provided the Committee with an update on the Year-End Performance Contract, which RACSB submitted to the Department of Behavioral Health and Developmental Services on August 31, 2017.

RACSB reported revenues of \$36,894,234 and expenses of \$33,521,893. Of the \$3,372,341 balance, \$1,451,254 or 43% represents regional fiscal agent funds allocated to other community services boards for inpatient hospitalization and hospital discharge assistance.

**ATTACHMENT IX**

**ACTION TAKEN:** It was moved by Ellen Sears and seconded by Greg Sokolowski that the Committee recommends the Board approve the Year-End Performance Contract as presented by staff. The motion was unanimously approved.

**ISSUE: FY 2017 WRITE-OFF REPORT**

**DISCUSSION:** Rhonda Pellicano provided the Committee with the Fiscal Year 2017 Write-Off Report. She reported that as of June 30, 2017, RACSB wrote off service charges totaling \$5,412,320 (excluding contractual write-offs). The write-off amount is \$388,335 higher than FY 2016.

**ATTACHMENT X**

**ACTION TAKEN:** It was moved by Ellen Sears and seconded by Greg Sokolowski that the Committee recommends the Board approve the Fiscal Year 2017 Write-Off Report as presented by staff. The motion was unanimously approved.

**ISSUE:** **FOURTH QUARTER FY 2017 OPEB TRUST FUND PERFORMANCE REVIEW**

**DISCUSSION:** Rhonda Pellicano provided the Committee with the 4<sup>th</sup> Quarter Fiscal Year 2017 OPEB Trust Fund Performance Review. She reported that for the quarter ended June 30, 2017, Portfolio I returned 2.93% versus the custom benchmark of 2.77%. Over the one-year period, the portfolio returned 13.07% versus the custom benchmark return of 12.56%.

**ATTACHMENT XI**

**ACTION TAKEN:** No action necessary

**ISSUE:** **KENMORE CLUB AUDIT**

**DISCUSSION:** Kelly Young provided the Committee with the results of a review of the USDA Virginia Child and Adult Care Food Program operation at Kenmore Club on June 29, 2017. The purpose of the review is to ensure that the overall program is operating according to Federal and State requirements. The auditor observed breakfast service and reviewed documentation such as attendance records, meal count records, and menus. No deficiencies were noted during the audit.

Debbie Draper praised the staff at Kenmore Club for working to ensure the meal program is in accordance with federal requirements.

**ATTACHMENT XII**

**ACTION TAKEN:** It was motioned by Ellen Sears and seconded by Greg Sokolowski that the Committee recommends the Board approve the Kenmore Club Audit as presented by staff. The motion was unanimously approved.

**ISSUE:** **AUGUST 2017 CAPITAL PROJECTS REPORT**

**DISCUSSION:** Rhonda Pellicano provided the Committee with updates on Capital Projects. She reported that projects totaling \$3,420,000 are completed or underway for FY 2018. As of August 31, 2017, \$517,692 was expended for the projects.

**ATTACHMENT XIII**

**ACTION TAKEN:** It was motioned by Ellen Sears and seconded by Ken Lapin that the Board approves the Capital Projects Report as presented. The motion was unanimously passed..

**ISSUE:** **CONSTRUCTION PROJECTS UPDATE**

**DISCUSSION:** Jane Yaun updated the Committee on the status of construction projects. She told the Committee that it looked unlikely that RACSB would purchase the River Club property, as the issues with the easements have not been resolved.

**ATTACHMENT IX**

**ACTION TAKEN:** No action necessary.

There being no further business, the Finance Committee adjourned at 1:48 p.m. The next meeting of the Finance Committee is scheduled for Tuesday, October 10, 2017 at 12:30 p.m. at the Ronald W. Branscome Building, 600 Jackson Street, Fredericksburg, Virginia 22401.

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