

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

PRESENT

Al Collins, Chair
Greg Sokolowski
Debbie Draper
Ken Lapin
Linda Ball
Ellen Sears
Tina Sears

ABSENT

Lawrence Davies
Jack Rowley

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*
Nicole Baucum, *Administrative Office Associate*
Kristen Choate, *Certified Public Accountant*

ISSUE: **FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS**
DISCUSSION: Kristen Choate presented to the Committee the Fiscal Year 2017 Financial Report prepared by Robinson, Farmer, Cox.

ATTACHMENT I

ACTION TAKEN: It was moved by Ellen Sears and seconded by Ken Lapin that the Committee recommends the Board approve the audited financial statements as presented by staff. The motion was unanimously approved.

ISSUE: **OCTOBER 2017 FINANCIAL REPORTS**
DISCUSSION: Nancy Cronin presented to the Committee the Fiscal Year Financial Report. Fiscal Year (FY) 2018 revenues of \$15,694,483 are \$286,835 or 1.86% more than Fiscal Year 2017 as October 31, 2017. Expenses of \$12,540,216 are \$89,556 or .72% more than FY17. The Net Revenue of

\$3,154,267 is \$197,279 or 6.67% more than FY17.

ATTACHMENT II

ACTION TAKEN: It was moved by Ellen Sears and seconded by Linda Ball that the Committee recommends the Board approve the October 2017 Financial Report as presented by staff. The motion was unanimously approved.

ISSUE: OCTOBER 2017 FINANCIAL TREND REPORT

DISCUSSION: Nancy Cronin presented to the Committee the year-to-date revenue and expense trends in each of the major program areas as of October 31, 2017 for Fiscal Years 2016 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: It was moved by Ellen Sears and seconded by Greg Sokolowski that the Committee recommends the Board approve the October 2017 Financial Report as presented by staff. The motion was unanimously approved.

ISSUE: OCTOBER 2017 INVESTMENT REPORT

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

As of October 31, 2017, cash and cash equivalent investments totaled \$21,636,445 which is 4.45% more than the prior month and 11.48% more than October 31, 2016. Of the investments, \$21,636,445 or 99% is with Union Bank and \$30,207 is invested in the Local Government Investment Pool.

ATTACHMENT IV

ACTION TAKEN: It was moved by Ellen Sears and seconded by Greg Sokolowski that the Committee recommends the Board approve the Investment Report as presented by staff. The motion was unanimously approved.

ISSUE: OCTOBER 2017 REIMBURSEMENT REPORT

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

Year-to-Date fee revenue of \$9,112,653 as of October 31, 2017, is \$729,983 or 9%, more than the prior year. Fee revenue collections are 103% of budget for the fiscal year.

ATTACHMENT V

ACTION TAKEN: It was moved by Ellen Sears and seconded by Tina Sears that the Committee recommends the Board approve the Reimbursement Report as presented. The motion was unanimously approved.

ISSUE: OCTOBER 2017 OPEB TRUST FUND REPORT

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

The October 2017 OPES cost value is \$1,271,640.54 which is \$317,020.54 or 33% more than the initial investment of \$954,620. The market value of \$1,988,195.03 is \$1,033,575.03 or 108.27% more than the initial investment. The market value variance increased 1.30% from the prior month.

ATTACHMENT VI

ACTION TAKEN: It was moved by Ellen Sears and seconded by Linda Ball that the Committee recommends the Board approve the OPEB Report as presented. The motion was unanimously approved.

ISSUE: OCTOBER 2017 HEALTH INSURANCE ACCOUNT REPORT

DISCUSSION: Rhonda Pellicano presented to the Committee the Health Insurance Account Report for October 2017. The health insurance account had an ending balance of \$1,202,235.18 on October 31, 2017. Year-to-date premiums deposited in the account, \$719,223.22, are less than year-to-date claims of \$1,084,334.01 by \$365,110.79.

ATTACHMENT VII

ACTION TAKEN: It was moved by Ken Lapin and seconded by Ellen Sears that the Committee recommends the Board approve the Health Insurance Account Report as presented. The motion was unanimously approved.

ISSUE: OCTOBER 2017 REPRESENTATIVE PAYEE AUDIT REPORT

DISCUSSION: Kelly Young presented to the Committee the October 2017 Representative Payee Audits. She reported that 4% of accounts had at least one audit finding during the month of October.

ATTACHMENT VIII

ACTION TAKEN: It was moved by Ellen Sears and seconded by Linda Ball that the Committee recommends the Board approve the Representative Payee Report as presented. The motion was unanimously approved.

ISSUE: NOVEMBER 2017 CAPITAL PROJECTS REPORT

DISCUSSION: Rhonda Pellicano provided the Committee with updates on Capital Projects. She reported that projects totaling \$3,700,000 are completed or underway for FY 2018. As of November 30, 2017, \$654,903 was expended for the projects.

Jane Yaun requested Board approval to change the Capital Projects report to reflect an increase in cost for renovations at 600 Jackson Street and the Spotsylvania Clinic.

ATTACHMENT IX

ACTION TAKEN: It was moved by Greg Sokolowski and seconded by Debbie Draper that the Committee recommends the Board approve the changes as presented. It was moved by Linda Ball and seconded by Tina Sears that the Committee recommoneds the Board approve the Capital Projects Report as presented.

ISSUE: FIRST QUARTER FY 18 OPEB TRUST FUND PERFORMANCE REPORT

DISCUSSION: Rhonda Pellicano told the Committee that the First Quarter Investment Performance Review of the VACoNML Pooled OPEB Trust highlights the performance of the portfolios (I and II) that make up the Trust. For the quarter ended September 30, 2017, Portfolio I returned 3.44% versus the custom benchmark of 3.71 %. Over the one-year period, the portfolio returned 12.37% versus the custom benchmark return of 12.49%.

ATTACHMENT X

ACTION TAKEN: No action necessary.

ISSUE: ICF PATIENT LIABILITY/PATIENT FUNDS AUDIT SUMMARY

DISCUSSION: Rhonda Pellicano told the Committee that the accounting firm of Myers & Stauffer conducted an audit of the patient funds for individuals that reside at the Intermediate Care Facilities. The audit resulted in a net payback of \$60,270.80.

ATTACHMENT XI

ACTION TAKEN: It was moved by Ellen Sears and seconded by Greg Sokolowski that the Committee recommends the Board approve the audit summary as presented. The motion was unanimously approved.

ISSUE: COST OF LIVING INCREASE

DISCUSSION: Rhonda Pellicano reminded the Committee that the fiscal year 2018 budget, approved by the Board of Directors in May 2017, included a 2%

salary increase for all employees effective the first pay period in July 2017 and a 1% salary increase for all employees effective the first pay period in January 2018. The 1% salary increase will be applied the first pay period in January and include all employees that have completed the required e-learning modules by December 15th. Those employees that do not complete the training will be granted the salary adjustment the next pay period after the training is complete..

ATTACHMENT XII

ACTION TAKEN: No action necessary.

ISSUE: FINANCIAL POLICY RELATED TO REPORTING

DISCUSSION: Rhonda Pellicano reported to the Committee that RACSB policy requires three (3) quotes for purchases of \$3,000-\$14,999; four (4) quotes for purchases of \$15,000-\$49,999 and a formal competitive process for purchases over \$50,000. She requested that the Board approve a change that would align the policy with the state procurement policy, which calls for the formal competitive process to be used for purchases of \$100,000 and greater.

ATTACHMENT XIII

ACTION TAKEN: It was moved by Debbie Draper and seconded by Ellen Sears that the Committee recommends the Board approve the requested changes as presented. The motion was unanimously approved.

ISSUE: CONSTRUCTION PROJECT UPDATE

DISCUSSION: Jane Yaun told the Committee that the River Club project is still moving along, but that there was not much to report.

ACTION TAKEN: No action necessary.

There being no further business, the Finance Committee adjourned at 1:54 p.m. The next meeting of the Finance Committee is scheduled for Tuesday, January 9, 2018 at 12:30 p.m. at the Ronald W. Branscome Building, 600 Jackson Street, Fredericksburg, Virginia 22401.