

MINUTES

Rappahannock Area CSB

December Finance Committee

Tuesday, December 11, 2018, 12:30 pm - 1:30 pm

Board Room 208, 600 Jackson Street, Fredericksburg, VA 22401

In Attendance

Al Collins; Amy Umble; Andrea Merwin; Jacque Kobuchi; Jane Yaun; Jim Howard; Joe Wickens; Kelly Young; Lawrence Davies; Matt Zurasky; Megan Toler; Nancy Beebe; Pam Hutchinson

Not In Attendance

Kheia Hilton; Linda Ball

A. October 2018 Financial Report

Pam Hutchinson

Pam Hutchinson reported that Fiscal Year 2019 revenues of \$15,515,644 are \$177,839 or 1.13% less than Fiscal Year 2018 as of Oct. 31. Expenses of \$13,592,283 are \$1,924,362 or 8.39% more than Fiscal Year 2018. The net revenue of \$1,924,362 is \$1,229,905 or 38.99% less than Fiscal Year 2018.

ATTACHMENT I

The Committee passed a motion recommending the Board approve the report as presented.

Move: Lawrence Davies Second: Jim Howard Status: Passed

B. October 2018 Financial Trend Report

Pam Hutchinson

Pam Hutchinson presented the financial trends reports. This report contains year-to-date comparable data as of Oct. 31 for the fiscal years of 2017, 2018, and 2019. Capitol projects are excluded from all project areas.

ATTACHMENT II

C. October 2018 Investment Report

Rhonda Pellicano

Rhonda Pellicano told the Committee that as of Oct. 31, cash and cash equivalent investments totaled \$19,994,070, which is 1.52% lower than the prior month and 7.72% lower than October 2017. Of the investments, \$19,963,312 or 99% is with Union Bank and \$30,758 is invested in the Local Government Investment Pool.

ATTACHMENT III

The Committee passed a motion recommending the Board approve the Investment Report as presented.

Move: Matt Zurasky Second: Lawrence Davies Status: Passed

D. October 2018 Reimbursement Report

Megan Toler

Megan Toler reported that total outstanding claims were \$4,413,669 as of Oct. 31. Year-to-date fee revenue of \$8,424,599 as of Oct. 31 is \$688,053 or 7.6% less than the prior year. Fee revenue collections are 101% of budget for the fiscal year.

ATTACHMENT IV

E. October 2018 Other Post-Employment Benefits (OPEB) Report

Rhonda Pellicano

Rhonda Pellicano reported that the October 2018 OPEB cost value was \$1,419,065 which is \$464,445 or 49% more than the initial investment of \$954,620. The market value of \$2,171,004 is \$1,216,384 or 127.4% more than the initial investment.

ATTACHMENT V

The Committee passed a motion recommending the Board approve the OPEB Report as presented.

Move: Nancy Beebe Second: Lawrence Davies Status: Passed

F. Quarter 1--FY 2019 OPEB Trust Fund Review

Rhonda Pellicano

Rhonda Pellicano told the Committee that the First Quarter Investment Performance Review of the VACo/VML pooled OPEB Trust highlights the performance of the portfolios that make up the trust. For the quarter that ended Sept. 30, Portfolio I returned 3.47% versus the custom benchmark of 2.85%. Over the one-year period, the portfolio returned 9.6% versus the custom benchmark of 7.72%.

ATTACHMENT VI

The Committee passed a motion recommending the Board approve the OPEB Trust Fund Review as presented.

Move: Jim Howard Second: Lawrence Davies Status: Passed

G. October 2018 Health Insurance Account Report

Rhonda Pellicano

Rhonda Pellicano told the Committee that the health insurance account balance was \$767,156.67 as of Oct. 31. Year-to-date premiums deposited in the account, \$1,269,281.51 are more than year-to-date claims and fees of \$1,205,545.26 by \$63,736.25.

ATTACHMENT VII

The Committee passed a motion recommending the Board approve the Health Insurance Account Report as presented.

Move: Lawrence Davies Second: Nancy Beebe Status: Passed

H. Representative Payee Audit October 2018

Kelly Young

Kelly Young reported that the Internal Auditor reviewed the audits of the representative payee accounts for October 2018. It was noted that 4% of accounts had at least one audit finding during the month of October, which is down from 7% in September.

ATTACHMENT VIII

The Committee passed a motion recommending the Board approve the Representative Payee Audit as presented.

Move: Lawrence Davies Second: Matt Zurasky Status: Passed

I. Fiscal Year 2019 Salary Increase

Rhonda Pellicano

Rhonda Pellicano told the Committee that the Board approved the Fiscal Year 2019 budget, which included two salary increases: a 2% increase effective July 1, 2018 and a 1% salary increase effective Jan. 1, 2019. She told the Committee that RACSB showed a net profit of \$1,924,362 and that the agency's financial position remains strong.

ATTACHMENT IX

The Committee passed a motion recommending the Board approve the salary increase as presented.

Move: Lawrence Davies Second: Matt Zurasky Status: Passed

J. November 2018 Capital Project Report

Rhonda Pellicano

Rhonda Pellicano reported that capital projects totaling \$4,632,702 are completed or underway for Fiscal Year 2019. As of Nov. 30, \$498,112 has been spent on the projects.

ATTACHMENT X

K. Bank Authority

Rhonda Pellicano

Rhonda Pellicano told the Committee that staff would like the Board to adopt a policy regarding banking authority, which is not included in the RACSB Financial Policy and Procedure Manual. This policy would identify Board and staff positions authorized to sign the Corporate Resolution and the powers granted to each signer. The executive director and financial director could be able to open an account without a third signature from a Board Member. The policy could also include specification around endorsing checks; borrowing money on behalf of and in the name of the agency; endorsing, assigning, transferring mortgage or pledge bills receivable, stocks, bonds real estate or other property; entering into written lease to rent a safe deposit box. RACSB counsel confirmed there are no statutes regulating who is granted banking authority.

ATTACHMENT XI

The Committee passed a motion recommending the Board approve the Finance Director creating a banking authority policy, which will be voted on in the future.

Move: Matt Zurasky Second: Jim Howard Status: Passed

L. Construction Project Update

Joe Wickens

A. River Club Property Purchase

B. 600 Jackson Street Bathrooms and Spotsylvania Clinic Lounge

Joe Wickens updated the Committee on the progress of the River Club buildout. A bidder was chosen for the project, and RACSB is waiting on some permits from Spotsylvania County.

M. Kelly Young

Jane Yaun

Jane Yaun thanked Kelly Young for doing a good job during the Committee meetings and told the Committee that Kelly was leaving the agency.

N. Other Business (Al Collins)

The meeting adjourned at 1:37 p.m.

O. Adjournment

The meeting adjourned at 1:27 p.m.