

## BUDGET AND FINANCE COMMITTEE MEETING MINUTES

April 26, 2018

**PRESENT:** Mary Blass, Mary Ann Harris, Mary Anne VanDenburgh, Dorothy Wheeler, Ed Zaik, Karen Amanna, Bruce Drake, Wendy Davis, Jennifer Radewitz, Pam Dusharm and Ken Stall.

**ABSENT:** Carolynn Anklam

### **1. Review of March Financials**

The CFO stated that there is an overall loss of \$92,000 for March with Operations showing \$68,000 of the loss. The Board had a tough month due to the instability of the stock market. The CFO reported that the retroactive salary increases for the staff in codes 100 & 200 were completed in March which amounted to approximately \$40,000.

#### **Administration:**

There was no change overall. There were some additional expenses due to CCO expenditures. Year to date Admin is down about \$72,000 due to salary and fringe. Salaries should be down across the board due to no smart contributions and fringe is down due to less health insurance expense.

#### **Service Coordination:**

There was a \$13,000 surplus for the month as more units were billed. The CEO gave a CCO update. Care Design has their readiness review by OPWDD on May 9<sup>th</sup>. It seems everything is still on track to take effect July 1, 2018. Care Design is considering changing from a for-profit to a not for profit due to loan forgiveness for approximately 50 employees. This may cause some issues in distributing funds and may not be approved by their board. There are weekly webinars occurring regarding enrolling families, portals that are up and running, etc. Care Design has agreed to pay \$1,000 per MSC to the provider the MSC is coming from once the MSC completes all enrollment and mediskid training. They have also designated superusers of their system – Scott Goehring has been selected from Coarc.

#### **Self-Directed Services:**

This service had a \$4,000 surplus with a year to date surplus of \$11,000. This program is doing much better than this time last year when it was showing a loss. This can be attributed to most of the budgets in the level three tier which yields more funding and a reduction in salaries.

#### **Camp:**

In the hiring process for the summer.

#### **Tradewinds Retail Store:**

The store had an \$8,000 loss for the month and a \$13,000 loss year to date. It is on track with last year. The first quarter is historically slow plus inventory is being purchased from the tradeshows.

#### **Contract Manufacturing (Includes School to Work and Work Readiness):**

Manufacturing is showing a \$13,000 surplus for the month, but a year to date loss of \$86,000. Revenue is down due to a slowing of sales along with some additional molding expense. Three production positions have been eliminated. The COO gave an update on the Workshop Transformation. Coarc will be allowed to re-enroll some of the folks back into the workshop. This is good news for the individuals who cannot find community employment. Manufacturing must keep the ratio at 40% or less of disabled staff. This will hopefully create \$140,000 in additional income. However, the Day Hab will probably not be allowed to remain in the same location as manufacturing and will be relocated to a location in Philmont with a PPA. Manufacturing and Pre-voc will stay in Mellenville.

#### **Supported Employment:**

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The program had a \$16,000 loss. Revenue is down, fewer units were billed. SEMP is now providing Job Coaches for the Individuals on the workshop floor which should result in a portion of their salaries being allocated to manufacturing. There is a year to date loss of \$30,000. The school to work revenue is down. One position has been eliminated and the Director of Employment is going to be allocated to Admin for CQL duties.

### **Transportation:**

There was a \$25,000 loss for the month with a year to date loss of \$61,000. The losses are mainly due to a rate issue. There should be a reconciliation on July 1, 2018 so the new expenses will be captured which should result in a rate increase.

### **Day Hab, Without Walls and Fusion:**

The Day Hab programs are showing a \$10,000 loss for the month. There were two snow days in March and salaries increased due to the January 1<sup>st</sup> retro payment. Year to date there were five full day and two half day snow days resulting in an \$80,000 loss. More snow days have been built into the 2018 budget.

### **Pathways to Employment:**

No report.

### **Supportive IRAs:**

This area was breakeven for the month with two reported vacancies. Retro funds were received for rate increases. The COO reported that in April there is only one vacancy.

### **Supervised IRAs:**

There was a \$16,000 loss for the month. Expenses are up due to 31 days in the month along with three vacancies reported. The program is showing a year to date loss of \$55,000. Last year at this time there were no vacancies. April should show two vacancies being filled with one vacancy remaining in Germantown.

The COO gave an update on SD. There was an admissions meeting held with Sunmount. There is a preliminary acceptance, but there is a 30 day waiting period. SD has been readmitted into the hospital and it is doubtful she will be coming back to the residence. The five staff that were hired to care for her will be moved to other residential vacancies. In addition some of the positions that were added to various residences due to high needs have been able to be eliminated. The DDRO has stated that we may not be able to increase capacity in that house unless we take someone off the LOI list. The CEO will have some conversations with the DDRO concerning the philosophy behind this. He also had some conversations with OPWDD at the NY Alliance conference concerning the high needs funding issue.

### **Respite/Community Hab:**

There was surplus for the month with a \$16,000 surplus year to date. Revenue is up.

### **Ecycle :**

Ecycle closed on March 31, 2018 showing a \$22,000 loss for the month. There is still inventory worth \$4,000 on the books. We are hoping to have the Hammermill machine sold. The COO reported that if we can't collect on the remaining receivables, we will need to write them off.

### **Board:**

The Board account is showing a year to date loss of \$18,000 due CCO expenses and the decline of the stock market.

## **2. Review of Line of Credit:**

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Line of credit is at \$0.00. The payroll change of Thursday to Friday has helped the cash flow. Medicaid deposits hit Thursday morning therefore creating funds for the Friday payroll.

**3. Review of March TSP Financials:**

The CFR is due tomorrow so there are no TSP financial statements for this meeting. The retro SED rate increase hit in March going back to July 1, 2017. Everything is looking good for the program. The biggest issue will continue to be enrollment. SED is recommending two primary settings in one of the integrated settings we offer. These settings should help the program with growth factor rates.

**4. Review of Metric Reporting:**

Reviewed the metrics for March and there is no change.

**5. Update on OPWDD Lawsuit:**

The Arc of New York is meeting today to determine if the chapters will be allowed to participate in the OPWDD lawsuit. The resolution from Coarc has been approved, but has not been sent. If there are only a few chapters that want to participate, the CEO feels The Arc New York will vote against it. The case that is being made is about including the state funding into the same pot and being made available to all agencies across the board. The state has pulled themselves out of rate rationalization. The feeling is that some organizations may not have been aware when the rate rationalization went into effect until it actually happened. Another update will be given at the board meeting. Update: the Arc New York's Executive Committee voted against participating in any litigation against OPWDD.

**NEXT MEETINGS:**

**Thursday May 17, 2018 at 8:30 am - Audit Presentation**  
**Thursday May 24, 2018 at 9:00 am**

