

**Valley Community Services Board**  
**85 Sanger's Lane, Staunton, VA**  
**February 26, 2025**  
**5:30 p.m.**

**Members Present:** Mary Powell, Chair; Gin Chandler, Treasurer; Amanda Kaufman, Frank Pyanoe, Jennifer Emanuel, Jerri Botkin, Lt. Leslie Snyder, Mike Hamp, Nate Riddle, Sonya Pulliam-Payne, Stephanie Huffman, Tracy Henke

**Members Absent:** Amanda Francis

**Staff Present:** Dr. Kimberly McClanahan, John Sandy, Candy Calloway, Dana Fitzgerald, Dereck Criner, Tammy DuBose, Krista Lynch, Marcia Armstrong, Kathy Curry, Natalie Taylor-Bell\*

**\*Denotes via Zoom**

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**CALL TO ORDER:** Mary Powell, Chair, called the meeting to order at 5:31pm.

**ESTABLISH QUORUM:** A quorum was established by Ms. Powell.

**INTRODUCTION OF NEW BOARD MEMBER:** Amanda Kaufman, Representative from the City of Staunton

**MINUTES APPROVAL:** Frank Pyanoe moved to approve the January 22, 2025 Board meeting minutes. Stephanie Huffman seconded. Amanda Kaufman abstained. Approved.

**PRESENTATION:** Marcia Armstrong shared an Adult Outpatient (OP) and Substance Use Case Management (SUCM) presentation. Adult OP and SUCM provide the following services: Substance Use Disorder (SUD) Group Treatment; Mental Health Group Treatment; SUD CM; Individual Therapy; Intakes with Access/Registration; Specialized SUD CM for pregnant and postpartum women; SU OP Groups; Intensive Outpatient (IOP); Early Recovery Skills, SU Coping, SU Self-Discovery, Relapse Prevention, and Women's SU.

**EXECUTIVE DIRECTOR'S REPORT:** Dr. Kim McClanahan commented on the February 26, 2025 Executive Director's Report that was shared electronically with Board members.

Dr. McClanahan shared the following:

- Regarding the Crisis Receiving Center/Crisis Stabilization Unit-Detoxification (CRC/CSU-D), there has been a lot of discussion about regulations which has caused processes to be put on hold at some CSBs. VCSB was not able to obtain the Lifecore property; however, there is another piece of property that is being considered which is under \$1m. VCSB is able to end the contract with Lifecore and be refunded the \$25,000 deposit; ARPA funds will essentially pay for the property.
- The 501(c)(3) held its first meeting and some general organizing was done. The next meeting is planned for June.
- A cybersecurity assessment was conducted at VCSB, and things are going well. Dr. McClanahan asked Mr. Dereck Criner to share information about cybersecurity and the new Human Resources (HR) system. Mr. Criner said that VCSB contracted with Redbox Cybersecurity. They were on site for a week and did a series of internal and external testing. They found a server with some old data that is running on an older operating system and a handful of small things. The IT team is working on reports and analysis and will create a projection of the potential impact on staff as remediation is being worked on. Costs are being projected as the FY2026 Budget is being developed. Mr. Criner reported that the new Human Resources Management Software (HRMS) - UKG, that was put in the FY2025 Budget, has been a long process and is in final phases; the final pieces are being built. The anticipated launch date is June 10<sup>th</sup>.
- Mr. Criner shared an update on the compensation study. He said other CSBs would like to participate, and they are pitching in on the costs. A list has been put together of 45-50 other employers that were sent a survey, and in addition to the 6 CSBs that are participating, there were 6 employers that responded. He said that once all the responses are received, it will take about 2 ½ to 3 weeks to get the survey report back, hopefully before the first of April. Dr. McClanahan added that 2 years ago VCSB performed a compensation study, and the pay scale was upgraded.

- The Employee Engagement Study will be going out soon.
- Billing will be back in-house on March 1<sup>st</sup>. She said that budgeting for FY2026 is going well so far.
- Last June, VCSB had its first Townhall for staff in many years, and the second one is scheduled for April 17<sup>th</sup> from 1:30pm to 4:30pm. More information will be shared soon.
- Dr. McClanahan thanked the Board for the lovely flowers for her husband's funeral.

**COMMITTEE REPORTS:**

**Fiscal Oversight Committee: Gin Chandler stated that there is a motion coming out of the Fiscal Oversight Committee to authorize VCSB staff to terminate the Lifecore Drive property contract and receive the \$25,000 deposit back and enter into a due diligence contract for the property discussed on Wilson Boulevard. Approved.**

- **FY2025 January Financial Report:** Hardcopies were shared with Board members. John Sandy stated there continues to be a Healthy Balance Sheet, Fund Balance, and Surplus. He shared the following highlights:
  - Balance Sheet: Total Assets ~ \$28.1m, 7.5% improvement from FY2024, most of the asset increases are related to First Street construction in progress, vehicles, and cash; Total Liabilities ~ \$7.9m, 15.6% increase from FY2024, Other Liabilities led the way; Total Fund Balance Year-To-Date ~ \$19.3m with Year-To-Date Income ~ \$925,000 which leaves a ~ \$20.2m Fund Balance, 7.5% increase from FY2024. Some of the \$20.2m is nonexpendable, some is restricted, e.g., \$1.5m set aside by the Board for the new CRC/CSU-D, and some is designated for one-time purposes.
  - Budget to Actuals - Budget Performance through 7 Months: Surplus \$925,612, mostly due to lower-than-expected expenditures of Wages & Benefits due to vacancies, and revenue projections have overestimated revenue, performing better than FY2024.
  - Income Statement Month-to-Month: Net Revenue increased from \$2.6m in December to \$2.61m in January; Total Operating Expenditures increased slightly by ~ \$100,000; Surplus \$156,000.
- Mr. Sandy said the accounting team is looking through the budget, and staff is developing a needs-based budget. He commented on the federal and state budget situation. Regarding the state budget, there are some positive things that will be valuable for VCSB. Regarding the federal budget, there are two competing proposals – the House Budget Resolution and the Senate Budget Resolution. Part of the House Budget Resolution creates a Floor of \$880B in reductions largely related to Medicaid. Approximately 45% of all the revenue that VCSB takes in is Medicaid. The Accounting team is watching this very closely. It is a risk, but right now VCSB is in very good shape. VCSB is moving forward with the grants with the exception of one grant. There will be potential guidance from the state related to Medicaid. VCSB receives ~ \$13.4m in Medicaid revenue for FY2025; 79% of the clients we serve are Medicaid reliant; about 183 FTEs within VCSB has some attachment to Medicaid in terms of salary. VCSB receives a lot of state grants and other federal grants.
- **Ms. Chandler stated that the motion coming out of the Fiscal Oversight Committee is to approve the FY2025 January financial report as presented. Approved.**

**NEW BUSINESS:** None.

**OLD BUSINESS:**

- **Update on First Street ICF Group Home:** Ms. Krista Lynch stated that our Facility Manager, Charles Hallberg, headed up a successful tree removal project. The water project is in the final stages. Security cameras were installed, and no trespassing property signs have been placed on the property. Restarting renovations has been delayed due to subcontractors availability; however, construction will resume as soon as possible.

**ADJOURNMENT: Frank Pyanoe moved to adjourn. Nate Riddle seconded. Motion carried.**

Respectfully submitted:  
Kathy Curry