

**Valley Community Services Board**  
**85 Sanger's Lane, Staunton, VA**  
**June 25, 2025**  
**5:30 p.m.**

**Members Present:** Amanda Francis, Vice Chair; Amanda Kaufman, Frank Pyanoe, Jennifer Emanuel, Mike Hamp, Stephanie Huffman, Nate Riddle, Tracy Henke

**Members Absent:** Mary Powell, Gin Chandler, Sonya Pulliam-Payne, Jerri Botkin, Lt. Leslie Snyder

**Staff Present:** Dr. Kimberly McClanahan, Tammy DuBose, Dana Fitzgerald, Candy Calloway, John Sandy, Dereck Criner, Tina Martina, Krista Lynch

**\*Denotes via Zoom**

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**CALL TO ORDER:** Vice Chair, Amanda Francis called the meeting to order at 5:30pm.

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

**VIRTUAL PARTICIPATION:** No virtual participants.

**MINUTES APPROVAL:** Nate Riddle made a motion to approve May 28, 2025, Board meeting minutes. Frank Pyanoe seconded. Motion carried.

**COMMITTEE REPORTS:**

**Fiscal Oversight Committee:** Mike Hamp shared that the committee did not meet tonight because a quorum was not established. Mr. Hamp added that the committee had spent extensive time reviewing proposed budget options at previous meetings. Mr. Hamp added that the committee was prepared to make a recommendation at this time.

**FY2026 Proposed Budget:** Mr. Hamp asked John Sandy to review the budget spread sheets (referred to as Table 1 and 2) that were distributed to the Board. Mr. Sandy began by sharing Table 1, which is the proposed budget for FY2026. Mr. Sandy reviewed the following outline.

- FY 2026 Proposed Budget – Refer to Table 1
  - a. FY 2026 Baseline – 1st Column
  - b. FY 2026 Enhancements (new items less reductions) – 2nd Column
  - c. FY 2026 Proposed Budget – 3rd Column
  - d. Growth in Revenue by 6% and Expenditures by 1% from FY 2025 Adopted Levels
  - e. \$32.7M in projected expenditures and \$34.9 M in projected revenue
  - f. Projected surplus of \$2.1M, of which will be used to help offset any fund balance gap and to maintain appropriate reserves.
- No Medicaid Reductions
  - Medicaid changes will likely occur beginning in FY 2027 except for the required to work for able-bodied individuals.
  - Will begin to see gradual reductions in clients who receive Medicaid
  - Big changes will be to the Provider Tax which allows the state to tax providers at 5.5%. This tax will be reduced each year by 0.5%.
- Budget Includes:
  - 3.0% cost-of-living adjustment for qualified employees as of July 1, 2025, to include all required benefit adjustments totaling \$553,545 as shown in Table D, second page of Table 1.
  - 1.5% bonus for qualified employees as of December 15, 2025, of which implementation will be dependent on stable Medicaid revenue collections meeting forecasts for FY 2026, and to include any required benefit adjustments totaling \$265,891 as shown in Table D, second page of Table 1.
  - an estimated \$356,800 in state revenue appropriated for state supported positions to partially offset the above compensation changes as shown in Table D, second page of Table 1.

Dr. McClanahan commented that in regard to the 1.5% bonus, the committee had discussed that the Board had granted a holiday bonus for the last several years and instead of distributing the 1.5% bonus in July, it was decided to use that funding for the holiday bonus with the understanding that the agency financial situation will be reviewed at that time.

- a 20% estimated increase in health insurance appropriations and expenditures totaling \$357,877 as seen in Table F, second page of Table 1, which shall include employer/employee cost-sharing.
- a total of 7.50 new full-time equivalent positions as shown on Table E, second page of Table 1, totaling \$1,881,085 including related expenditures.
- the elimination of 16.00 vacant positions as shown in Table G, second page of Table 1, totaling \$1,206,816 in expenditures.

Jennifer Emanuel asked why the CRC supervisor positions were budgeted but other CRC positions were not. Dr. McClanahan shared that the reason why was because these three positions would be the start-up team that will recruit staff, develop policies and procedures and visit other CRCs. These positions are also funded by a grant that needs to be spent in FY2026. Frank Pyanoe asked about the vacant positions that are being eliminated and what employees will be affected. Candy Calloway, Director of Behavior Health, shared that most of these positions have been vacant for a year or more. She then added that after reviewing the programs thoroughly it was decided that the positions were not needed. Mr. Sandy then reviewed Table 2 as outlined below.

- FY2026 Proposed Capital Budget – Refer to Table 2
  - 9 areas of concentration for FY 2026
    - \$16.49M CRC-CSU-D
    - \$5K Grandview Renovation Project Phase 1
    - \$24K First Street – Furniture and Server Room
    - \$62.49K Sanger’s Lane HVACs, Furnishings & Carpeting
    - \$20K Information Technology Upgrades
    - \$10.4K Vehicle for lease for ICFs.
  - Revenue Sources are shown for each FY2026 Capital Budget project

Mr. Riddle asked about fundraising through Valley Community Outreach (VCO), the recently formed 501c3 for VCSB. Dr. McClanahan shared that the VCO Board has only had one meeting and has a meeting scheduled for July. Mr. Sandy stated that there have been a few donations to VCO and the current balance is \$1,550. Dr. McClanahan added that First Bank and Trust has promised a \$10,000 donation.

Mr. Hamp thanked staff for preparing budget options and explaining the budget in such details. Mr. Hamp commented that this is a time of uncertainty for all, however the budget appears appropriate.

Amanda Kaufman asked to revisit the discussion regarding the positions that are being eliminated, asking if services would be affected. Ms. Calloway explained that the programs were evaluated and that current staffing was efficient for caseloads. Ms. Calloway noted there was no waitlist for case management at this time. Ms. Kaufman asked why the budget is showing the CRC having revenue when the program will not be open. Dr. McClanahan explained that the three positions are funded by a grant, showing as revenue.

Mr. Hamp stated the following:

***I move that the Board of Directors adopt the Proposed FY2026 Budget including estimates and appropriations as shown in Table 1 in order to fund the FY2026 Budget, which also includes the following:***

- ***a 3.0% cost-of-living adjustment for qualified employees as of July 1, 2025, to include all required benefit adjustments totaling \$553,545 as shown in Table D.***
- ***a 1.5% bonus for qualified employees as of December 15, 2025, of which implementation will be dependent on stable Medicaid revenue collections meeting forecasts for FY2026, and to include any required benefit adjustments totaling \$265,891 as shown in Table D.***
- ***an estimated \$356,800 in state revenue appropriated for state supported positions to partially offset the above compensation changes as shown in Table D.***
- ***a 20% estimated increase in health insurance appropriations and expenditures totaling \$357,877 as seen in Table F, which shall include employer/employee cost-sharing.***
- ***a total of 7.5 new full-time equivalent positions as shown on Table E, totaling \$1,881,085 including related expenditures.***
- ***the elimination of 16 vacant positions as shown in Table G, totaling \$1,206,816 in expenditures.***

*I further move that the Board of Directors adopt the Proposed Capital Budget which estimates and appropriates a total of \$16,626,690 in revenue and expenditures for FY2026 for the capital projects depicted in Table 2 including estimating and appropriating funds for the new Crisis Receiving/Stabilization-Detoxification Center for FY2026.*

*Finally I move that the Board of Directors provide staff the ability to further refine their estimates and appropriations including any necessary technical adjustments and any adjustments as may be required by changes in legislation impacting Medicaid or other revenues until July 1, 2025, as outlined in the preceding motions and direct staff to bring forward to the Board of Directors any necessary amendments to the FY2026 Budget and FY 2026 Capital Budget as Adopted on June 25, 2025 at future business meetings, based upon final audited financial statements in addition to changing estimates for further deliberation and consideration. Mr. Pyanoe second. Motion carried.*

**FY2025 May Financial Report:** Hardcopies were shared with Board members. Mr. John Sandy shared the following highlights. The Fiscal Oversight Committee was unable to meet to review and approve the financial report, so this section is for information only.

• **Balance Sheet:** Month ending May FY25

1. Total Assets were more than \$30.8M for the month, representing a more than 17.9% improvement from FY 2024
2. With Construction in Progress (e.g., First Street), purchase of the CRC land, vehicles and cash leading the way
3. Total Liabilities were nearly \$8.0M for the month, representing nearly a 17.2% increase from FY 2024
4. Total Fund Balance YTD is \$19.3M with a YTD Income of nearly \$3.5M which equates to more than \$22.8M for the month ending May FY 2025
  - o Represents nearly a 18.2% increase from FY 2024Note that total fund balance on the balance sheet represents value besides just cash, so some of that value has to be converted to cash.

• **Budget to Actual:** (Budget Performance through 11 Months)

1. Surplus over budget of \$3.5M through eleven months (May 2025).
2. Mostly, due to lower-than-expected expenditures of Wages and Benefits (due to vacancies) and underperforming reimbursement revenue and over projected expenditures and the site acquisition not being reflected in the income statement.
3. VCSB is still performing better than FY 2024 Actuals for Net Revenue (11.2% increase) & spending more than FY 2024 Actuals (15.9% increase).
4. Total surplus for this period ending May 2025 is 69% more than what was experienced during the same period to FY 2024.

• **Income Statement:** (month to month)

1. Net Revenue slightly increased from April by nearly \$45K to nearly \$3.6M in May 2025
2. Total Operating Expenditures slightly declined by \$42K from April 2025 to \$2.41M.
3. Experienced a surplus of nearly \$1.15M at month end close in May 2025 increasing slightly from April 2025 by \$87K.

**EXECUTIVE DIRECTOR'S REPORT:** Dr. McClanahan commented briefly on the June 25, 2025, Executive Director's Report that was shared electronically with Board members.

- Dr. McClanahan shared that only four CSBs will be starting the Marcus Alert this year and VCSB is one of those. We will receive the \$600,000 needed to begin. The only locality in our catchment area that must implement all three protocols is Augusta County. The other three localities do not have a population over \$40,000. Dr. McClanahan explained the reason for the Marcus Alert and how it will work.
- Dr. McClanahan shared an update on the progress of the CRC/CSU-D.
- Dr. McClanahan pointed out that a Board meeting schedule for FY2026 has been distributed to members.

**NEW BUSINESS:**

- **Nominating Committee:** Mr. Pyanoe shared that the committee met and discussed the nominees. Mr. Pyanoe presented the following Slate of Officers.
- Chair- Mary Powell
- Vice Chair- Mike Hamp or Amanda Francis
- Treasurer- Gin Chandler

Mr. Pyanoe asked for any additional nominations from the floor. With no additional nominations, Tammy DuBose passed out ballots. After reviewing, Mr. Pyanoe announced the following.

Ms. Powell as Chair, a tie vote between Ms. Francis and Mr. Hamp for Vice Chair, and Gin Chandler for Treasurer. Mr. Pyanoe shared that we haven't had a tie situation before, so we are not sure what to do. Mr. Pyanoe suggested that both co-chairs. After a discussion, Mr. Hamp stated that the current leadership is doing well, and therefore he concedes the Vice Chair seat to Ms. Francis. Mr. Pyanoe asked for approval of the slate as Ms. Powell, Ms. Francis and Ms. Chandler in respective positions. All in favor. Motion carried.

**OLD BUSINESS:**

- **Update on First Street ICF Group Home:** Tina Martina commented on the ongoing progress of the construction. Ms. Martina announced that the construction team shared that they hope to have the home completed by October, which is very exciting. Ms. Martina announced there will be several open houses planned.

**ADJOURNMENT: Mr. Riddle made a motion to adjourn. Ms. Emanuel seconded. Motion carried.**

Respectfully submitted:

Tammy DuBose