

Valley Community Services Board
85 Sanger's Lane, Staunton, VA
January 25, 2023
5:30 p.m.

Members Present: Ross Parker, Chair; Dan Sullivan, Vice Chair; Misty Cook, Amanda Francis, Stephanie Huffman, Mary Powell, Sonya Pulliam-Payne, Frank Pyanoe, Debra Freeman-Belle, Treasurer*; Jeremy Leach*, Anna Leavitt*, Emily Malcolm*, Nitch Narduzzi*, Leslie Snyder*

Members Absent:

Visitor: Megan Argenbright, Auditor

Staff Present: Dr. Kimberly McClanahan, Dr. Devin Foster, Dereck Criner, Kathy Curry, Dana Fitzgerald, Stacie Jackson, Tina Martina, Lori McDermott, Kim Sprangel, Candy Calloway*, Tammy DuBose*, Jane Fetterman*, Kathy Kristiansen*

***Denotes via Zoom**

CALL TO ORDER: Chair, Ross Parker, called the meeting to order at 5:30 pm.

INTRODUCTION OF NEW MEMBER: Mr. Parker introduced Amanda Francis, Representative from Staunton.

ESTABLISH QUORUM: Mr. Parker established a quorum.

ELECTRONIC PARTICIPATION: Nitch Narduzzi stated she is participating virtually from her Staunton home.

PUBLIC COMMENT: No public comment.

MINUTES: Frank Pyanoe moved to approve the December 7th Board meeting minutes. Dan Sullivan seconded. Nitch Narduzzi abstained. Stephanie Huffman abstained. Approved.

PROGRAM PRESENTATION: Stacie Jackson, Infant & Toddler Intervention Manager, shared an Early Intervention Services Program presentation. Hardcopies were shared with Board members. Highlights include:

- Provide supports and services to children ages birth through 3 (and their families) who are experiencing some type of developmental delay.
- Focus is to increase child's access to family/community activities, occur in a child's natural learning environment, and support parents/caregivers in supporting their child.
- Services include audiology, developmental services, family training, counseling and home visits, health services, medical services, nursing services, nutrition services, occupational therapy, physical therapy, psychological services, service coordination, sign language and cued language services, social work services, speech language pathology, transportation and related costs, and vision. Currently serve 90 to 100 families in the cities of Staunton and Waynesboro.

EXECUTIVE DIRECTOR'S REPORT: Dr. Kim McClanahan commented on her 1.25.2023 report that was shared electronically with members.

FY2022 INDEPENDENT AUDIT REVIEW: Megan Argenbright gave an audit overview. Hardcopies were shared with Board members. They were issued to DBHDS on time, December 15th. Highlights include:

- VCSB received a clean, unmodified opinion.
- Need to record all liabilities.
- VRS pension is a year behind, reporting June 30, 2021 on your June 30, 2022. That is standard across the board. The actuary has to get all the numbers together. VRS had a great year, investments did really well.
- Compliance. A single audit was conducted. There were some findings that have to do with turnover in the Finance Department. Need to be fully staffed and have documentation.
- Allowance. Need a formal process for writing off bad debt and calculating the allowance. A policy has been put in place.
- Tested only one program for the single audit. Had two recommendations for that: for federal compliance, there are some very hard and fast things that must be done, one of which is that you have to document controls and if you have an issue with controls in the finding. Due to turnover and due to lack of personnel, one of our findings was related to reimbursement requests and reporting not being reviewed before being submitted. There has been a correction put in place for that. The timeline for reimbursement requests – there is no hard and fast federal compliance rule about how timely your reimbursement request should be but generally if you are fronting the money as a CSB, you do not want it to be very long. It was taking over two and a half to three months to submit reimbursement requests; those should be done on a monthly basis. There is movement on all of these items.
- **Mr. Sullivan moved to approve the FY2022 Audit Report. Ms. Cook seconded. Motion carried.**

COMMITTEE REPORTS: Please see full reports enclosed.

Finance Committee:

- Dr. Devin Foster shared the FY2023 November and December Financials:
 - Balance Sheet: Total Cash \$12 million, Total Other Assets \$623,000, Net Assets \$2.8 million, Total Asset Cash \$15.6 million, Total Liabilities \$4.3 million, Total Fund Balance \$11.2 million, Total Liabilities \$15.6 million.
 - Actual: November Net Revenue \$1.9 million, Total Operating Expense \$1.6 million, Surplus \$292,806. December Net Revenue \$1.9 million, Total Operating Expense \$2.1 million, Deficit \$104,228. Federal funding has not been received for October and November. December federal funds were just submitted. July through December Surplus \$889,837.
 - Income Statement balanced out.
- Dr. Foster shared a December Summary PowerPoint.
 - Total Cash \$12 million.
 - Going into the second half of the fiscal year there is a Surplus of \$889,000 (not including Federal Reimbursement Funds for October, November, and December).
 - December Federal Reimbursement submitted for \$133,921.70.
 - Additional submission of Federal STEP-VA Funds/SOR-Prevention, Treatment & Recovery Funds of \$256,582.35.
 - Wages and benefits increased December due to staff bonuses and PTO payout.
 - Valley is hosting the Virginia CSB CFO Retreat on January 31st.
 - Six Months Trend: Gross Charges trending around \$1,167, 157 and Contractual Adjustments trending at a low of \$101,000 each month.
 - Other Fees & Miscellaneous Revenue trending around \$967,306.
 - Combined Revenue trending around \$2,032,799.
 - Total Operational Expenses trend at \$1,884,494.
 - December Concerns: Deficit \$104,000, October and November Reimbursement of Federal Funds of \$154,630.56 has not been received. DBHDS has launched the Web Grants Module for Federal Funds and it has its fair share of issues.

- Credible Concerns regarding Reimbursement Department. Three or more months delay in responding to requests/tickets for changes to the system, general unresponsiveness to email inquiries and requests, and admitted deficiencies in following up on denied claims which results in lost revenue. Dr. McClanahan stated that our Reimbursement Manager has been consulting with the Credible Billing guru at Region Ten and VCSB is working towards bringing billing in-house.
- **The Fiscal Oversight Committee recommended approval of the financials as presented. Approved.**

OLD/NEW BUSINESS:

- Dereck Criner shared SESCO Management Consultation Services information. Hardcopies were shared with the Board. SESCO has given us a proposal to go through our position descriptions, programs, policies and administration and come up with an equity market adjustment for Valley. The total cost is \$20,000. Numbers should be in in time for the FY2024 budget. **The Fiscal Oversight Committee recommended approval of the SESCO study at a cost not to exceed \$20,000.**
- Tina Martina shared that Vector Industries approached Valley about opening an Adult Day Support Program. She has permission from the Fiscal Oversight Committee to continue discussions and she will present a business plan and budget at next month's Fiscal Oversight Committee and Board meetings.
- Ms. Martina shared information on the Orchard Lane Renovation project. Adrienne Moats created an IFB (Invitation for Bid) that will go out by the end of this week or first of next week.
- Dr. McClanahan commented on the 501c3 Update. There is a name – Valley Community Outreach (VCO); it is reserved. The goals are capital projects, which includes the Drop-in Center, Crisis Stabilization Unit, and the Intermediate Care Facility (ICF) at Orchard Lane, Infant & Toddler Early Intervention, and Outreach/Marketing. Ms. Harris wrote a proposal to First Bank & Trust for a grant for \$10,000; if it is granted it will make the IRS process quicker.
- Dr. McClanahan shared a newspaper article about staff member, Allison Henry, and her work with the VCSB Homeless Program.

MEETING ADJOURNED: Mr. Sullivan moved to adjourn. Mr. Pyanoe seconded. Motion carried.

Respectfully submitted:
Kathy Curry