

**Valley Community Services Board**  
**85 Sanger's Lane, Staunton, VA**  
**12.03.2025**  
**5:30 p.m.**

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

**Members Absent:**

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

**\*Denotes via Zoom**

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

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

**MINUTES APPROVAL:** Frank Pyanoe made a motion to approve October 22, 2025, Board meeting minutes. Mike Hamp seconded. Jennifer Emanuel and Amanda Francis abstained.

**PRESENTATION: FY25 Independent Audit Presentation**

- **Megan Argenbright, CPA, gave a brief review stating the following:**
- The audit report has been issued.
- A complete, unmodified opinion was issued as well as a Yellow Book opinion.
- There were no internal control findings, comments, or recommendations.
- There was no compliance report included and that will be issued at a later date.
- There were no new standards that impacted the CSB.

**COMMITTEE REPORTS:**

**Fiscal Oversight Committee:** Ms. Gin Chandler asked John Sandy to present the financials.

**Balance Sheet Highlights:**

A. **October 2025 - FY 2026 FM 04**

1. Total Assets were nearly \$32.6M for FY 2026 or approximately \$5.3M greater than the same month in FY 2025. This represents an improvement of more than 19.3%.
2. Total Liabilities were nearly \$9.6M which represented nearly an increase of 32.5% from FY 2025 at the same period.
3. OPEB liability and other liabilities led the way.
4. Adjusting entries raised our OPEB liability, which is still in positive territory but likely due to changes in actuarial assumptions at the State regarding our participants.
5. Total FY 2026 Ending Fund Balance at October month-end was nearly \$22.2M with a YTD Income of \$645,623 which equates to nearly **\$22.8M**.
  - They represented a 14.6% increase from FY 2025 October.

B. **NOTE:** Much of the \$22.8M in Total Fund Balance is nonexpendable (cannot be used for discretionary purposes), some are designated (e.g., \$1.5M set aside by the Board in June 2024) and some remain undesignated and may be used for one-time purposes such as the new CRC/CSU-D.

C. **RINSE/REPEAT:** Best Practice is to expend Fund Balance on one-time uses, or for a Fiscal Reserve to weather financial crisis. But even this fund balance should eventually be replaced.

- Budget to Actuals FY 2026

A. **OCTOBER 2025**

1. VCSB ran a YTD surplus of \$645,623 as of October 31, 2025, which was higher than FY 2025 YTD as of October 31, 2024, which was \$593,045, or nearly 9% greater that period last fiscal year.
2. YTD FY 2026 surplus is performing about 9% lower than the projected for the FY 2026 Adopted Budget projection of \$710,823 for October 2025 but still healthy.
3. VCSB performed better during October FY 2026 than FY 2025 Actuals for the same month for Net Revenue (4.1% increase) & spent more than FY 2025 Actuals (3.8% increase) for the same comparison.
4. Spending categories which led the way include the pay increase and subsequent benefit changes and depreciation for FY 2026, but we should see some gains to the positive side of the ledger once due to our lower than budgeted health insurance expected costs for Plan Year 2026 beginning in January 2026.
5. We are still underperforming on the expenditure side by 9% compared to budget for October. Our revenues continue to lag by nearly 11% compared to the adopted budget projections likely due to vacancies and new positions approved as part of the FY 2026 which will generate additional revenue; although we have improved from September 2025 in both areas.
6. Still very cautious in our outlook for FY 2026 due to the impact of House Resolution 1 (OBBB), which will likely result in additional clients seeking reimbursement write-offs due to impacts to SNAP benefits and impacts to housing programs.
7. Many of the Medicaid changes because of HR 1 will hit in FY 2027 or FY 2028 timeframe and we will likely plan accordingly. These include the following:
  - Medicaid Eligibility Requirements for Individuals every 6 months starting on December 31, 2026 (FY 2027);
  - Verifying Medicaid Enrollee Addresses starting January 1, 2027 (FY 2028);
  - Medicaid beneficiary work requirements with some exceptions beginning on January 1, 2027 (FY 2028) unless Virginia moves quicker;
  - Limiting Provider Taxes starting on October 1, 2027 (FY 2028)
  - Reducing State Directed Payments starting on January 1, 2028 (FY 2028);
  - Medicaid Screening Requirements starting on January 1, 2028 (FY 2028);
  - Cost-Sharing Requirements for Certain Expansion Individuals, starting October 1, 2028 (FY 2028);
  - Medicaid Provider Screening Requirements starting January 1, 2028 (FY 2028).

- Income Statement (Month to Month)

A. OCTOBER 2025

1. Net Revenue for the month of October 2025 was approximately \$2.76M which is slightly favorable compared to October 2024 which sat at \$2.68M), this was nearly a 3.0% improvement with other revenue and miscellaneous revenue leading the way.

2. Net Revenue for October 2025 increased over September 2025 by 4.6%.
3. Total Operating Expenditures for October 2025 were approximately \$2.4M which was a 2.3% decrease from October 2024.
4. Total Operating Expenditures for October 2025 (FY 2026) decreased by 2.2% from the previous month of September 2025 with professional services, supplies and miscellaneous expenses leading the way.
5. The total surplus for October 2025 (FY 2026) was \$356,267 compared to a surplus of \$179,378 for the month of September 2025 (FY 2026), or almost double.

**Ms. Chandler made a motion on behalf of the Fiscal Oversight Committee to approve the October Financials as presented. Motion carried.**

**Ms. Chandler made a motion on behalf of the Fiscal Oversight Committee to approve the October 22, 2025, Fiscal Oversight minutes. Motion carried.**

**Ms. Chandler made a motion on behalf of the Fiscal Oversight Committee to give a non-tenured-based bonus of \$200 plus FICA to staff. Motion carried.**

**EXECUTIVE DIRECTOR'S REPORT:** Dr. McClanahan gave a brief overview of her report that was distributed to members via email, highlighting the following.

- Governor-elect Spanberger endorsed the CCBHC.
- Marcus Alert is going well. There is a meeting scheduled for December 4, 2025 at the VCSB.
- Candy Calloway spoke about the Marcus Alert. After the meeting they will be getting together to plan out a budget.
- Continuing to meet with project managers for the CRC/CSU-D Project
- The A&E contract with Worley has been signed.
- ZMM has submitted the final plans.
- CRC-CSU-D kickoff ceremony scheduled for December 8, 2025, at Augusta Health Community Building.
- The governor will be attending the CRC kickoff ceremony.
- The Employee Recognition luncheon was held on November 14, 2025. Frank Pyanoe from the BOD attended.

**NEW BUSINESS: Approval of the Bylaws:**

- Compliance Committee was combined with Service Delivery Oversight Committee which is now considered Quality and Compliance (Q&C) Committee.

**Ms. Powell asked for a motion to approve the revisions to the Bylaws. Frank Pyanoe made the motion and Nate Riddle seconded. Motion carried.**

**OLD BUSINESS:**

**CRC Update:** Dr. McClanahan gave a brief overview during her Executive Director's report.

**First Street Home Update:** Tina Martina, Director of DS Services, gave an update.

- Budget for First Steet came in just shy of \$500 under budget for Lee Building change orders and Moffett Paving.
- VDH came out on November 24, 2025 and inspection and passed with compliance and not deficiency.
- State Fire Marshall inspection was completed and it passed.
- December 3, 2025 building inspection passed.
- Certificate of Occupancy should be received soon.
- DBHDS licensing inspection will be next along with furnishing the house.
- There will be a day just for residents and staff to be the first to view the house once the Certificate of Occupancy is received.

**ADJOURNMENT: Jerri Botkin made a motion to adjourn. Tracy Henke seconded. Motion carried.**

Respectfully submitted:

Sheena Andes