

Valley Community Services Board
85 Sanger's Lane, Staunton, VA
October 22, 2025
5:30 p.m.

Members Present: Mary Powell, Chair; Gin Chandler, Treasurer; Amanda Kaufman, Frank Pyanoe, Mike Hamp, Stephanie Huffman, Nate Riddle, Lt. Leslie Snyder, Jerri Botkin

Members Absent: Sonya Pulliam-Payne, Amanda Francis, Jennifer Emanuel, Tracy Henke,

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

***Denotes via Zoom**

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

ESTABLISH QUORUM: A quorum was established by Ms. Powell. (Note: Jennifer Emanuel and Tracy Henke missed the meeting due to an accident blocking travel to meeting)

MINUTES APPROVAL: Frank Pyanoe made a motion to approve September 24, 2025, Board meeting minutes. Stephanie Huffman seconded. Motion carried.

PRESENTATION: Assertive Community Treatment (ACT)

Rebecca Everson, ACT Supervisor, shared a presentation on the program. Below are highlights.

- The ACT program is a multi-disciplinary approach designed to support individuals with Serious Mental Illness (SMI) and/or dually diagnosed individuals with remaining psychiatrically stable and regaining independence within daily living.
- Criteria for ACT: Must be diagnosed with SMI (Schizophrenia, Schizoaffective, or Bipolar); have history of frequent hospitalizations; have not been successful in lesser intensive services.
- The ACT team provides community-based services for the clients. Currently serving 45 clients.

COMMITTEE REPORTS:

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

Audited June Financial Report: Mr. Sandy shared information from the Audited June Financial Reports as follows.

Balance Sheet Highlights:

- June 2025 – FY25 FM 12
 - Differences between Audited and Unaudited
 - Adjusting Entries made to Clients Receivable
 - Adjusting Entries made to Leases due to GASB Requirements
 - Adjusting Entries made to Depreciation
 - Adjusting Entries made to OPEB Liability going forward
 - Minor Adjustments made to Accrued Payroll and Benefits
 - Total net changes \$114,889 to the good on both Assets and Liabilities

Budget to Actuals FY25 EOY (Correction – Missing FY25 Adopted Budget data)

Income Statement FY25 EOY

A. June 2025 – FY25 FM 12

- Net Changes Approximately \$705,000 change on the Expenditure Side
- Impacts Surplus by the same amount – lowered to \$2.8M
 - Adjusting entries to Wages and Benefits
 - Adjusting entries to Equipment, Miscellaneous and Depreciation

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

SEPTEMBER 2025 FINANCIALS

Balance Sheet Highlights: September 2025 (FY26 -FM 03)

1. Total Assets were more than \$31.9M for FY26 or \$5.2M greater than what was evident for the same month in FY25, or an improvement of more than 19.6%.
 2. Total Liabilities were more than nearly \$9.5M, which represented a 34.5% increase from FY25 at the same period (September).
 3. OPEB Liability increased in addition to other liabilities leading 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 about our participants.
 5. Total FY26 Ending Fund at August month-end was nearly \$22.5M with a YTD Income of \$289,356 which equates to nearly \$22.5M.
 - This represented a 14.3% increase from FY25 September.
- A. Note: Much of the \$22.5M 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.
- B. 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 FY26 (September 2025)

1. Currently running a YTD surplus of \$289,356 as of September 30, 2025, which was slightly lower than FY25 YTD as of September 30, 2024, which was \$342,528, or 15.5% lower.
2. YTD FY26 surplus is performing about 46% lower than the projected for the FY26 Adopted Budget projection of \$533,117 for September but still healthy.
3. VCSB performed better during September FY26 than FY25 Actuals for the same month for Net Revenue (4.6% increase) & spent more than FY25 Actuals (5.6% increase) for this same comparison.
4. Spending categories which led the way include the pay increase and subsequent benefit changes for FY26, 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 our budget on the expenditure side by 11% compared to budget for September. Our revenues continue to lag by nearly 15% compared to the adopted budget projections likely due to vacancies and new positions approved as part of the FY26 Adopted Budget which will generate revenue.
6. Still very cautious in our outlook for FY26 due to the federal shutdown and the House Resolution 1 (0888), which will likely result in additional clients seeking reimbursement write-offs due to impacts to SNAP benefits and impacts to housing programs.
7. Most of the Medicaid changes because of HR1 will hit in FY27 and will likely plan accordingly. These include work requirements and the move to reduce the state provider tax to meet requirements.
8. With the federal shutdown, Medicaid will likely be impacted if there is no deal by December 2025 unless there is a stop gap measure put into place to guarantee payments. This is a real concern.
9. The federal shutdown is impacting our ability to seek reimbursement for some federal grants including the DOJ Mental Health Collaboration grant and will likely stretch to impact both housing and education aid.

Income Statement (Month to Month) September 2025

1. Net Revenue for September 2025 was approximately \$2.6M which is slightly favorable compared to September 2024 which sat at \$2.4M), this was an 8.3% improvement with other revenue and miscellaneous revenue leading the way.
2. Net Revenue for September 2025 increased over August 2025 by nearly 5%.
3. Total Operating Expenditures for September 2025 were nearly \$2.5M which was a 2.5% increase over September 2024.
4. Total Operating Expenditures for September 2026 (FY26) which was an increase of 3.6% from the previous month of August 2025 with wages and benefits and professional services leading the way.
5. The total surplus for September 2025 (FY26) was \$179,378 compared to a surplus of \$137,924 for the month of August 2025 (FY26), or an approximate 30% improvement.

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

Update on FY25 Independent Audit

Mr. Sandy reported that the audit is being finalized and should be presented at the December Board meeting. An RFP will be going out to secure an auditing firm for FY26.

Mr. Chandler thanked Mr. Sandy for his hard work this year.

CONSENT AGENDA:

Ms. Powell made a motion to approve the consent agenda as presented for approval of the Fiscal Oversight and the Compliance Committee minutes. Mr. Pyanoe seconded. 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.

- DBHDS is very excited about projects with the crisis services across the state.
- Discussion of potential Medicaid cuts.
- Marcus Alert meetings ongoing.
- Still waiting on finalized plans for ZMM for the CRC/CSU-D project. Dustin Wright has been hired as the manager for the CRC. We are close to finalizing a contract with Worley for A&E services.
- Employee recognition luncheon is on November 14th. Dr. McClanahan invited Board members to attend.

Amanda Kaufman announced that she will be leaving Staunton to take a position in Minnesota and stated that she had enjoyed her time on the Board. All wished her well.

NEW BUSINESS:

- **Health Insurance Renewal 2026:** Dereck Criner shared information showing the cost of current insurance premiums as well as upcoming 2026 cost. Mr. Criner showed comparisons of percentage as to employer pay and employee pay. Mr. Criner shared that for the last three years, the agency has paid 100% of all insurance increases without any increase for the employees. This year there will be various minimum increases depending on plan coverage.
- **Employee Satisfaction Survey:** Mr. Criner reviewed the recent Employee Satisfaction Survey report. Total responses were 179 out of 247. Results were overall positive, and the Executive Leadership Team (ELT) is discussing next steps.
- **Committee Attendance:** Ms. Powell commented on committee attendance, sharing that both the Service Delivery Committee and the Compliance Committee are having trouble meeting quorum requirements. Ms. Powell suggested combining the two committees back together as they used to be. Ms. Powell suggested that the committee could meet every two months. Ms. Synder asked if there was a reason why the meeting could not continue to meet quarterly. It was decided that the Board would make that decision. Ms. Powell noted that the Bylaws would need to be changed to combine the committees. After further discussion, it was decided that

Tammy DuBose would revise the Bylaws and send them out to members for review prior to the December meeting, at which time they will be voted on. **Jerri Botkin made a motion to revise the Bylaws to combine the two committees and name the committee the Compliance Committee. Mr. Pyanoe seconded. Motion carried.**

OLD BUSINESS:

- **First Street Home Update:** Tina Martina, Director of DS Services, gave an update and showed pictures of the progress. Ms. Martina is hopeful that the building construction will be completed by the end of November.

ADJOURNMENT: Ms. Snyder made a motion to adjourn. Ms. Botkin seconded. Motion carried.

Respectfully submitted:

Tammy DuBose