

Board Meeting Minutes

July 21, 2016

Room B – Ottawa Office

Present: Robert King (phone), Joan Boldan (phone), Matt Shinnick, Jim Brusatte, John Armstrong, Peter Corgiat, Doug Patterson, Jim Bagley (phone), Marty Ricconi, Rev. Rickey Bates

Present (Staff): Frank Vonch, Dave Conrad, Joyce Garbs

Absent: Steve Bouslog,

Jim Brusatte called the meeting to order at 5 p.m.

Adopt the Agenda - Motioned by John Armstrong, 2nd Doug Patterson, All Passed.

Adopt the minutes from last meeting - Motioned by Matt Shinnick, 2nd Rev. Bates, All Passed.

Treasurers Report – Doug Patterson

Financial statements were e-mailed out to the board which represent the best estimates for the end of the year. The information shows the same trends as has been happening throughout the year. Revenue is below budget at about 8.7% but it is flat compared to 2015.

Currently, Child Development Center capacity is low. There are some areas in addition to Medicaid and JSOP that were below budget. The good news is that expenses were all below budget at 6.5%. The numbers did go up a little bit from the previous year which was 4%. We have a small \$30,000 loss on FY16 which was expected. The expenses throughout the year have been coming up below budget; consultants, mileage, foster parents...Much of this has to do with lower case counts. We have gotten through most of the year without tapping a line of credit, but it was necessary to do so since the previous Board meeting. The state owes of \$555,000 from last year. A big chunk of the receivables is from the State.

Some clarification on the current state of the finances: It was questioned if the \$30,000 debt would be taken care of from funds that should come from the CDC and Hispanic Services/Intact? Child Welfare is currently helping to offset those costs. How much is the Hispanic Services budget, which is not receiving funding? Hispanic Services budget has historically been about \$80K to \$90K, and we only received \$15K this year for that program. The loss in the CDC is close to \$50K this year. We anticipated having a \$200K surplus, but we ended up having a \$30K loss. All revenues are accounted for in the budget, but the cash has not come from the State. There is much confusion as to what will be coming from the State for the approved stop-gap budget.

Frank mentioned that despite the lack of funds, we are in a good position at the \$30K loss. Keeping Hispanic workers is important and we are finding ways that having Spanish speaking employees can bring in more revenue.

For more understanding: We have an open line of credit at the bank. When we need it the bank will put it in our account, there is only interest accrued when we use the line of credit, not at any other time.

The budget for FY17 was passed around. Revenues should grow by 5%, Expenses should be at 4%, same as last year. This takes into account all State issues. The bottom line is we are looking at a surplus of about \$47K. When we have an income of \$10 million, \$47K is considered a break even. There is some funding from the Foundation that is being considered. We did NOT bump up the case counts in the budget for FY17. A salary increase of 3% has also been budgeted in.

The United Way is cutting funding to YSB by \$10K. There will be about \$25K less funding from the 708 Board. Both of these have been taken into account in the new budget and both will take effect about halfway through our fiscal year as both organizations have a different fiscal year period.

Approval of Preliminary Budget – Motioned John Armstrong, 2nd Peter Corgiat, All passed

Building and Grounds Committee Report

There is a contract with Liebhart Construction lined up. The total cost for the budget is \$225K including the architect. We've already received \$40K from the Foundation over the past two years and \$40K from Fairmount over the past two years. We are anticipating another \$20K from the Foundation and another \$20K from Fairmount. That is a total of \$120K of the \$225K total for the entire project. A motion was put forth to approve borrowing \$105K from the Illinois Facilities Fund to make up the difference. The payback would be about \$800 a month. The interest rate is below 5%. If this is approved, construction will begin soon. The contracts with the contractors are in place. Subcontractors are lined up. Liebhart wants to start the project in about 5 weeks when his best workers can be here to do the job, after they've finished up another project. There are some electrical workings that will need to be removed from the current building. The permits are not completed yet, but the City has advised to go full force ahead. It should only take approximately 2 months to complete the job. The original purchase of the building was \$200K, 80% has been financed (\$145K) with a balance on the loan at \$130K, which we pay \$1,100 per month on. ***The value of the building post construction will be need to be reappraised.*** It was suggested to get an appraisal done now and see what it will be worth when it is finished. With these loans taken out, is it plausible to pay it back through services alone? We will no longer have to pay for rent for Redeploy across the street once they move into the building, which is currently more than what our payment will be on the new loan once it is all completed. An idea was placed by Rev. Bates to put on a Capital Campaign to raise money to pay off the building. That can be looked at in near future.

The Board has already approved the contract with Liebhart Construction
Motion to request the \$105K Loan - Rev. Bates, 2nd Jim Bagley, All passed.

We are in the process of moving the Streator office from the Times Newspaper office, and we cannot bill Medicaid services out of that office since it is not equipped. We only pay \$150 per month now, but another space has been found that will be \$600 per month plus utilities. It is standalone, with wheelchair accessible. It is the old State Farm building at Westgate Plaza. There will be renovations done so we can take the space over. It will be a one-year lease and we will have the option to renew each year for up to 5 years. The Streator United Way gave YSB an additional \$3K put into a restricted fund, which will be used for this new space.

COA Update

This has been a project going on for over a year. We are required to do a self-study which was completed and sent in prior to the due date. Frank mentioned a lot of work was required and many staff were involved under the guidance of Sheri Nestmann. It was Frank's understanding that only 1 worker did not complete their tasks. Others had to be assigned to get it done. It was completed and sent in last week. The next step for COA will be the August 21-24th site visit. They will give us a schedule and board members may be contacted to participate.

Pay Now:

Frank mentioned the lawsuit was delayed due to the Attorney General's request to see what was to be paid to agencies from the recent 6 month budget passed. Over 90 agencies have joined the lawsuit.

Executive Session:

Motion made to enter Executive Session at 5:38 PM – Marty Ricconi, 2nd by John Armstrong, Approved by all.

Motion made to exit Executive Session at 7:08 PM – John Armstrong, 2nd by Peter Corgiat, Approved by all.

There were two other motions dealt with in open session involving Personnel.

Jim Brusatte made a motion to adjourn, All passed to adjourn the meeting.

Next Meeting: Thursday, September 15, 2016 5:00 p.m. Ottawa Office