



PlanRVA

Audit, Facilities & Finance Committee

Agenda- August 8, 2019

In Attendance:

Nolen Blackwood	Terry Eckhout
Jim Holland	Diane Fusco
Patricia Paige	Martha Shickle
George Spagna	Jill Swinger

1. Call to Order, Welcome & Introductions- Dr. Spagna

Terry Eckhout, the new Finance Director for PlanRVA, was in attendance and Ms. Shickle asked committee members to introduce themselves. Ms. Eckhout was previously with the Central Virginia Waste Management Authority.

2. Committee Chair for FY2020- Martha Shickle

Ms. Shickle noted that Dr. Spagna was the Chair of the committee last year as he was also serving as Treasurer of the Executive Committee but is open for discussion about leadership of the committee. Ms. Paige is the FY20 treasurer of the Executive Committee, but it is not her desire to chair the Finance committee due to other commitments for this year.

Dr. Spagna agreed to continue to act as Chair of the Audit, Facilities, & Finance Committee and Ms. Paige will serve as a member of the committee. There was a consensus of members in attendance to this approach.

3. Financial Statements for June 30, 2019- Jill Swinger

- a. General Report on Progress in FY2019- Martha Shickle/Jill Swinger

Ms. Swinger provided a summary of the financial statements sent to the committee in advance of the meeting. Copies were also available for review. There was mostly good news to report with a \$15K surplus reported as of the end of June 2019.

Ms. Swinger reviewed comments regarding FY19 annual variances listed on the report. Ms. Shickle commented on the local funding being below budget due to absence of Capital Region Collaborative work. She has submitted a proposal to the Chamber that considers breaking work up in to components rather than having a dedicated staff person and to use funding in current fiscal year for indicators project. Proposal is being reviewed by the chamber and that will determine what happens with the revenue. Localities have not been billed for the CRC for the current fiscal year.

Ms. Shickle also pointed out comment three related to salary and wages and noted monthly reports have made it easier to track agency progress and to determine if staff is working on what is billable to ensure enough revenue generation.

Mr. Holland asked about interest income and Ms. Swinger reported the agency does not earn as much interest income as possible because the investment account has been borrowed against due to cash flow issues. The agency is currently still owed money from some localities for member dues that were due at the end of July. Mr. Holland said this is unacceptable and he will see what he can find out from Chesterfield County. He also suggested finding out if ACH payments are a possibility for quicker turnaround on payment.

Ms. Shickle noted that Ms. Eckhout has some Finance contacts within the localities and may be able to assist with the cash flow issue. Ms. Eckhout mentioned sending letters out in advance as a heads up that the dues invoice will be following in the future.

Ms. Swinger and Ms. Shickle provided an update on the fraud issue that occurred during FY19 involving a payment made to West Cary Group. Electronic payment instructions were sent from an email that appeared to come from West Cary Group, but the email communications turned out to be fraudulent.

Since this occurred internal controls have been put in to place to prevent this type of activity from happening again. The agency also has cyber coverage in place with a new insurance company. The auditor is aware of the fraud issue.

Powhatan County voted to not participate in the special assessment; other localities have agreed to a single payment or payment over two years.

There was some discussion over the effect of vacation time to the budget and Ms. Shickle stated that the current time allocation model allows a better view of this at the end of the quarter. Ms. Swinger mentioned the comment about this on the report is more of an issue to be resolved with better forecasting.

Mr. Holland asked about an accrual for leave pay outs and vacation and Ms. Shickle confirmed this buffer has been created in the 2020 budget.

Ms. Swinger provided a review of her work at the agency and noted some accomplishments made in the following areas: accrual accounting, monthly reporting, understanding financials and impact, staff understanding where they can spend time according to budgeted time, and managers approving time before payroll is processed. There have also been cost savings and efficiencies accomplished with the agency insurance carrier, IT supplier and moving to a cloud-based environment.

Ms. Shickle noted with Ms. Eckhout coming on board, Ms. Swinger will complete the audit process and by the end of September and will then complete the first quarter's grant billing with Ms. Eckhout. Ms. Swinger expects to be done with her work at the agency by mid-October and then available as needed.

Next steps will include assessing the agency banking relationships to potentially partner with a local bank and submit an RFP for a new audit firm. Mr. Holland said he agrees with this approach.

Mr. Holland asked about the process for bank reconciliation. Currently Ms. Shickle receives the bank statement and Ms. Swinger reconciles. Mr. Holland suggested another person should sign off and Ms. Shickle agreed to evaluate internal controls and backup responsibilities.

4. Office Location Update- Martha Shickle

The current lease expires October 2021, so the agency has some time to determine what the needs are and if staying in current location is feasible. Remaining in current office space would require renegotiating the current lease terms and agreement from the facility manager to make changes to existing space. Ms. Shickle stated there are some environmental concerns with the current office space and feels air quality is an issue.

Mr. Holland suggested listing pros and cons of moving or staying in current space. Ms. Shickle offered to develop the list with input from the committee. Ms. Paige said the agency needs to be clear on needs and how much space will be conducive to those needs. Mr. Blackwood stated the agency is currently paying above the market rate for current office space and suggested contacting a broker to assess needs.

Legal counsel is developing a draft amendment to the charter regarding location of the office to change from specifying City of Richmond to "centrally located." Ms. Shickle agreed to develop the list of the needs of the agency to consider related to office space.

5. Future Meetings: Frequency and Topics- Martha Shickle/ Terry Eckhout

Suggestion was made to dedicate future meetings to discuss lease options. Ms. Shickle also said it would be helpful for the committee to review financials prior to full Board Meetings and asked if the committee had a preference on format of meeting.

Mr. Holland suggested having a conference call after data is sent for discussion. It was agreed that a monthly call to review financials and a quarterly call for a work session would be helpful. A schedule of suggested meeting dates and times will be sent to the committee members.

6. Adjourn

The meeting adjourned at approximately 10:30 AM.

PlanRVA
Profit & Loss Budget Performance
June 2019

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
	Jun 2019 Actual	Jun 2019 Budget	\$ Variance	% of Monthly Budget	Jul-June 19 YTD Actual	Jul-June 19 YTD Budget	\$ Variance	% of YTD Budget	Annual Budget
Ordinary Income/Expense									
Income									
4100 - Federal Funding	213,503.08	168,818.92	44,684.16	126.47%	1,762,679.52	2,025,827.04	-263,147.52 (1)	87.01%	2,025,827.04
4200 - State Funding	49,529.89	32,636.92	16,892.97	151.76%	369,772.48	391,643.00	-21,870.52 (1)	94.42%	391,643.00
4300 - Local Funding	53,329.69	61,647.15	-8,317.46	86.51%	691,000.80	739,766.00	-48,765.20 (2)	93.41%	739,766.00
4400 - Private Funding	6,933.80	6,933.75	0.05	100.0%	55,470.40	55,470.00	0.40	100.0%	55,470.00
5000 - Other Income	359.41				10,651.39	0.00	10,651.39	100.0%	0.00
Total Income	<u>323,655.87</u>	<u>270,036.74</u>	<u>53,619.13</u>	<u>119.86%</u>	<u>2,889,574.59</u>	<u>3,212,706.04</u>	<u>-323,131.45</u>	<u>89.94%</u>	<u>3,212,706.04</u>
Expense									
6000 - Salary & Wages	168,004.40	150,603.11	17,401.29	111.55%	1,766,105.67	1,807,237.35	-41,131.68 (3)	97.72%	1,807,237.35
7100 - Professional Fees	16,556.80	11,516.66	5,040.14	143.76%	132,405.17	133,200.00	-794.83	99.4%	133,200.00
7200 - Office Expenses	13,200.74	16,267.08	-3,066.34	81.15%	169,894.69	195,205.07	-25,310.38 (4)	87.03%	195,205.07
7400 - Program Expenses	109,029.56	62,443.09	46,586.47	174.61%	493,550.43	753,517.23	-259,966.80 (1)	65.5%	753,517.23
7600 - Infrastructure	19,941.94	22,134.30	-2,192.36	90.1%	256,746.60	264,960.65	-8,214.05	96.9%	264,960.65
Total Expense	<u>326,733.44</u>	<u>262,964.24</u>	<u>63,769.20</u>	<u>124.25%</u>	<u>2,818,702.56</u>	<u>3,154,120.30</u>	<u>-335,417.74</u>	<u>89.37%</u>	<u>3,154,120.30</u>
Net Ordinary Income	<u>-3,077.57</u>	<u>7,072.50</u>	<u>-10,150.07</u>	<u>-43.52%</u>	<u>70,872.03</u>	<u>58,585.74</u>	<u>12,286.29</u>	<u>120.97%</u>	<u>58,585.74</u>
Other Income/Expense									
Other Expense									
7900 - Capital Expense Projects	1,562.00	4,921.83	-3,359.83	31.74%	55,896.98	59,061.95	-3,164.97	94.64%	59,061.95
Total Other Expense	<u>1,562.00</u>	<u>4,921.83</u>	<u>-3,359.83</u>	<u>31.74%</u>	<u>55,896.98</u>	<u>59,061.95</u>	<u>-3,164.97</u>	<u>94.64%</u>	<u>59,061.95</u>
Net Other Income	<u>-1,562.00</u>	<u>-4,921.83</u>	<u>3,359.83</u>	<u>31.74%</u>	<u>-55,896.98</u>	<u>-59,061.95</u>	<u>3,164.97</u>	<u>94.64%</u>	<u>-59,061.95</u>
Net Income	<u>-4,639.57</u>	<u>2,150.67</u>	<u>-6,790.24</u>	<u>-215.73%</u>	<u>14,975.05</u>	<u>-476.21</u>	<u>15,451.26</u>	<u>-3,144.63%</u>	<u>-476.21</u>

Comments Regarding FY 2019 Annual Variances:

(1) Pass through expenses for Transportation and Emergency Management were underbudget for the year; Will catchup FY 2020.

In addition, some below budget grant billing due to end of year staff vacation schedules.

(2) Local funding below budget due to the absence of Capital Region Collaborative work. \$24K from FY 19 local assessments currently held back in Deferred Revenue on Balance Sheet.

The other \$24K below budget was due to not billing the Chamber.

(3) Salary & Wages favorable due to a favorable end of year adjustment in the salary accrual vs. end of FY 18.

(4) Revised FY 19 budget projected higher computer and printing costs than realized.