



Audit, Facilities & Finance Committee

AGENDA

February 23, 2021 – 1:30 PM

VIRTUAL MEETING

Members are provided meeting access information to log in via Zoom. Members of the public may view the live stream of the meeting on YouTube. A recording of the meeting will be available on our site at its conclusion.

- 1. Welcome and Introductions**
 - a. Statement regarding Virtual Meetings for PlanRVA.....page 2**
 - b. Roll Call of Attendees, Introductions of Guests
- 2. Old Business**
 - a. December 2020 & January 2021 Meeting Minutes.....page 3**
 - b. Office Space Planning Update**
- 3. New Business**
 - a. Financial Improvement Plan Update**
 - b. Revised December and January Financial Statements..... page 8**
 - c. FY2021 Budget Updates**
- 4. Adjourn**

Targeted adjournment is 2:30 pm



**Opening Statement for Electronic Meetings
PlanRVA Audit, Finance & Facilities Committee Meeting, February 23, 2021**

Due to the 2020 COVID-19 virus, meetings of the Richmond Regional Planning District Commission have transitioned to a virtual format in accordance with provisions of Virginia Code § 2.2-3708.2 and related legislation approved by the General Assembly of Virginia during the current period of the Governor's State of Emergency Declaration for COVID.

While we meet in a remote/virtual format, we remain committed to public accessibility and opportunity to participate. Staff provided notice of this meeting to members and the public on Friday, February 19, 2021. As this meeting will be recorded, audio and visual recordings and materials will be accessible through the PlanRVA website. Any member of the public participating as an observer during the meeting may submit comments or questions at any time via email at info@PlanRVA.org. Additional information for how members of the public may participate are included in the meeting materials and on our website.

For the members who are participating in the meeting today, we ask that you identify yourself first when speaking so we can accurately record the activities of the meeting. Please remember to mute your line when not speaking to minimize additional noise and feedback. You may unmute your line at any time to request acknowledgment from the Chair. Staff will be monitoring the chat functions throughout the meeting to assure we do not overlook anyone wishing to participate, as appropriate, in the discussion.

Does anyone have any questions regarding the process for assuring effective facilitation of this meeting or for how members of the public may participate?

By reading this statement, staff certifies that we have followed the approved procedures for appropriate notice of this meeting and the means by which we are convening.

Now, please indicate your presence by saying "HERE" when your name is called during the roll call. Staff members will also be asked to identify themselves and anyone else who wishes to identify themselves following the roll call of members will be invited to do so.

<PAUSE for Roll Call>

Audit, Facilities & Finance Committee
December 22, 2020 – 1:30 PM
Meeting Minutes
Virtual Meeting

Link to meeting recording: <https://planrva.org/planrva-audit-finance-facilities-committee-meetings/>

Members Present:

Mr. Jim Holland, Chair
Ms. Patricia O'Bannon
Mr. Canova Peterson

Staff Present:

Terry Eckhout, Director of Finance
Diane Fusco, Office Manager
Martha Heeter, Executive Director

Others Present:

Mr. Brian Berkey, Cushman & Wakefield | Thalhimer
Neil Spoonhower, PlanRVA Board Chair

Welcome and Introductions

Chairman Holland called the meeting to order at approximately 1:30 PM.

Ms. Fusco took roll call and Ms. Heeter confirmed a quorum was present.

November 24, 2020 Meeting Minutes

Mr. Holland asked the committee to review the meeting minutes from the November 24, 2020 committee meeting. There were no changes or revisions.

On motion of Mr. Peterson and seconded by Ms. O'Bannon the November 24, 2020 minutes were approved.

Closed Session

Mr. Holland identified the need to enter in to closed session. Ms. Heeter read the closed session motion. Ms. O'Bannon made a motion to enter in to closed session and

At the conclusion of the closed session Ms. Fusco asked the members to certify the closed session:

Do each of you vote to certify that, to the best of your knowledge, only public matters lawfully exempted from open meeting requirements and that only such public business matters as were

identified in the motion by which the closed session was convened, were heard, discussed, or considered?

Name	Aye	Nay	Abstain	Absent
Mr. Blackwood				X
Mr. Holland	X			
Ms. O'Bannon	X			
Ms. Paige				X
Mr. Peterson	X			
Mr. Spoonhower	X			

Financial Management Policies

Ms. Heeter introduced the financial management policies and opened this topic for discussion. She reviewed sections in the policy for the committee members.

Mr. Peterson asked about the need to seek approval for capital expenses that are already in the budget. Ms. Heeter noted this process is intended to address Board's concern for oversight and meant to provide more specifics on allocation of funds.

Ms. Heeter offered to circulate documentation to Finance staff of localities for additional feedback and then bring back before committee at next meeting.

November 2020 YTD Financial Narrative and Statements

Ms. Heeter reviewed financial statements and introduced a new format for narrative that incorporates charts and graphs for November 2020. She also reviewed summary of staff time. Ms. Heeter mentioned operational costs are being reviewed for potential cost savings.

Mr. Holland asked for a headcount number compared to budget for next meeting. He also asked about savings due to COVID. Ms. Heeter mentioned savings related to travel, postage and upcoming savings for copier and printing with a renegotiation for copier lease.

Ms. Heeter said the February 2021 Board meeting will include a review of December 2020 and January 2021 financial statements. Any changes to the budget will be brought before the Finance committee in January.

Program Methodology Review

Ms. Heeter reviewed a variable rate and fixed rate billing method and recommendation to submit adjustments to Q1 billing when Q2 billing occurs. She suggested this may not be feasible with VDEM.

Mr. Peterson commented he agrees with fixed rate method and if the agency is going to attempt to recoup funds it should be consistent across all grants.

Other committee members agreed with the fixed rate billing method. It was also agreed to forego attempting to recoup funds from the 1st quarter billing.

A motion was made by Chairman Spoonhower and seconded by Mr. Peterson. The motion carried unanimously.

Ms. Heeter mentioned work with the finance working group for the CVTA and taking advantage of their knowledge and resource.

Mr. Holland confirmed the need to look at budget and adjustments that need to be made based on current circumstances and performance.

Ms. Heeter thanked the committee and mentioned follow up would be forthcoming on space planning. She also mentioned Ms. Gray will be leaving this committee as her term is coming to an end with the commission.

Adjourn

The meeting was adjourned at approximately 3:00 pm.

DRAFT



Audit, Facilities & Finance Committee
January 26, 2020 – 1:30 PM
Meeting Minutes
Virtual Meeting

Link to meeting recording: <https://www.youtube.com/watch?v=KtLm7MWVOfw>

Members Present:

Mr. Nolen Blackwood
Mr. Jim Holland, Chair
Ms. Patricia O'Bannon
Ms. Patricia Paige
Mr. Canova Peterson

Staff Present:

Terry Eckhout, Director of Finance
Diane Fusco, Office Manager
Martha Heeter, Executive Director

Welcome and Introductions

Chairman Holland called the meeting to order at approximately 1:30 PM. There were no questions regarding the statement for virtual meetings included in the agenda packet.

Ms. Fusco took roll call and Ms. Heeter confirmed a quorum was present.

December 22, 2020 Meeting Minutes

Chairman Holland asked the committee to review the meeting minutes from the December 24, 2020 committee meeting. Mr. Peterson noted the agenda packets had been received late by the committee members and there had not been enough time to review the contents including the December meeting minutes.

Chairman Holland agreed to defer the meeting minutes to the next committee meeting in February.

Revised November and December Financial Statements

Chairman Holland asked Ms. Heeter to review the revised financial statements.

Ms. Heeter reviewed the balance sheet and profit and loss statement. She also noted the fund balance remains in compliance.

The current year to date results reflect a lack of federal revenue that needs to be addressed. Mr. Peterson asked why this is lagging and Ms. Heeter explained not enough time is being spent in the transportation program and this will be changed.

Ms. Heeter continued through the statements and reviewed expenses. She indicated upcoming savings related to a renegotiation of the copier lease.

Ms. Heeter indicated the net loss YTD is \$42K and reviewed an improvement plan including a reassignment of assignments in the Urban Transportation Program Area and new grant projects. She indicated a need to pick up the pace in grant funded programs.

An expense analysis indicates program budget overruns are draining YTD local member dues at higher pace than normal. Time will be reassigned to grant funded activities from general support areas.

Ms. Heeter asked the committee's approval for technical assistance and support in the financial area. The improvements are related to financial statement review and reconciliation, payroll allocation, enhanced reporting, fringe benefit analysis, and a recast of the FY2021 budgeted revenues and allocation of general funds. She asked for approval of \$5K in funds for this assistance and noted there is a budget for these services.

The committee agreed to approve moving forward with technical assistance noting the need to perform analysis and turn the agency performance around quickly. Mr. Peterson suggested working with Warren Whitney and VML/Vaco during the week in February.

Mr. Peterson made a motion to move forward and Chairman Holland seconded the motion and the motion was approved unanimously by acclamation. The motion authorized funds not to exceed \$5,000.00.

Ms. O'Bannon about the status of the office relocation and Ms. Heeter advised this would be an item for discussion at the February meeting. Ms. Heeter indicated she would be meeting with Mr. Blackwood before the next committee meeting.

Adjourn

The meeting was adjourned at approximately 2:30 pm.



PlanRVA Summary of Finance Statements

Meeting materials for the March 11, 2021 Commission meeting include financial statements for January with revisions to the December results. Below is a summary of these financial statements intended to assist with the review of this information. It includes analysis and next steps to address year to date financial performance.

Balance Sheet

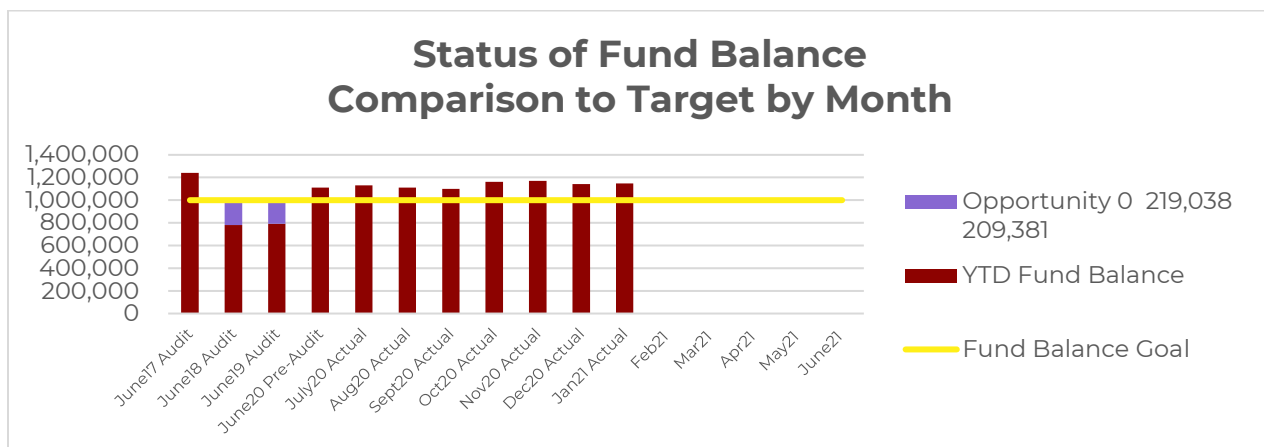
The summarized Balance Sheet provides an overview of the assets, liabilities and fund balance for the month.

The Commission is in a solid cash position and we are awaiting payment on second quarter reimbursements requests for expenses incurred through December 31, 2020 which are represented in Accounts Receivable.

The Fund Balance consists of Fixed Assets and Unrestricted Reserves. The Commission concluded FY20 with an Unrestricted Reserve Balance of \$1,165,897 which has been decreased by the year to date accumulated net loss to arrive at the January 31 Unrestricted Reserve of \$1,147,863. Despite the reduction, the unrestricted reserve balance remains above the \$1,000,000 target which includes the special assessments collected in FY 2021 to restore the fund balance.

The Year to Date net loss reduces the fund balance from the end of FY 2020 as summarized below:

Unrestricted Reserve - July 2020 (adjusted)	\$ 1,165,897
Net Surplus (Deficit) FYTD 2021	(48,156)
Special Assessments Collected FY21	30,122
Unrestricted Reserve - 1/31/21	<u>\$1,147,863</u>





Profit & Loss Budget Performance

The Profit and Loss statement provides an overview of Monthly and Year-to-Date Actual revenues and expenses with comparison to total budgeted revenues and expenses for Fiscal Year 2021.

The Year-to-Date revenues and expenses are compared to 58.33% of the Annual Budget as Year-to-Date results for January represent 58.33% (or seven-twelfths) of the year. Variances between actual and budget can be quickly viewed in the “58.33% Total Budget” column; notes are provided to the side and at the bottom of the statement to provide additional information.

Notes:

- YTD Net Loss is \$48,153 (increased by adjusting entries for December)
- Total Income is underbudget at 70% of projected income for the year
- YTD average on salary reimbursements is 60%
- Total Salaries & Wages are within budget
- Activity in Program Expenses is lagging from grant extensions and lagging activity due to COVID-19

Revenue:

January’s total Year to Date Revenue was \$1,656,579 which is lagging the predicted Year-to-Date budget. While most of the total shortfall is due to timing of pass through expenses (see Expense lines 7451:7459) which is just at 32% of budget, additional loss of productivity is due to employee leave in the first half of the fiscal year.

Staff made adjustments to the previously reported December financial results to address the treatment of federal and state revenues and payroll expenses for the pay period ending June 30, 2020 which were reported in the July financial statements for Fiscal Year 2021. We made adjusting entries to remove the federal and state revenues and related payroll expenses for that pay period in the revised monthly December financial results, reducing income by \$66,361 and expenses by \$54,554 resulting in an increased net operating loss through December 31, 2020 of \$11,807.

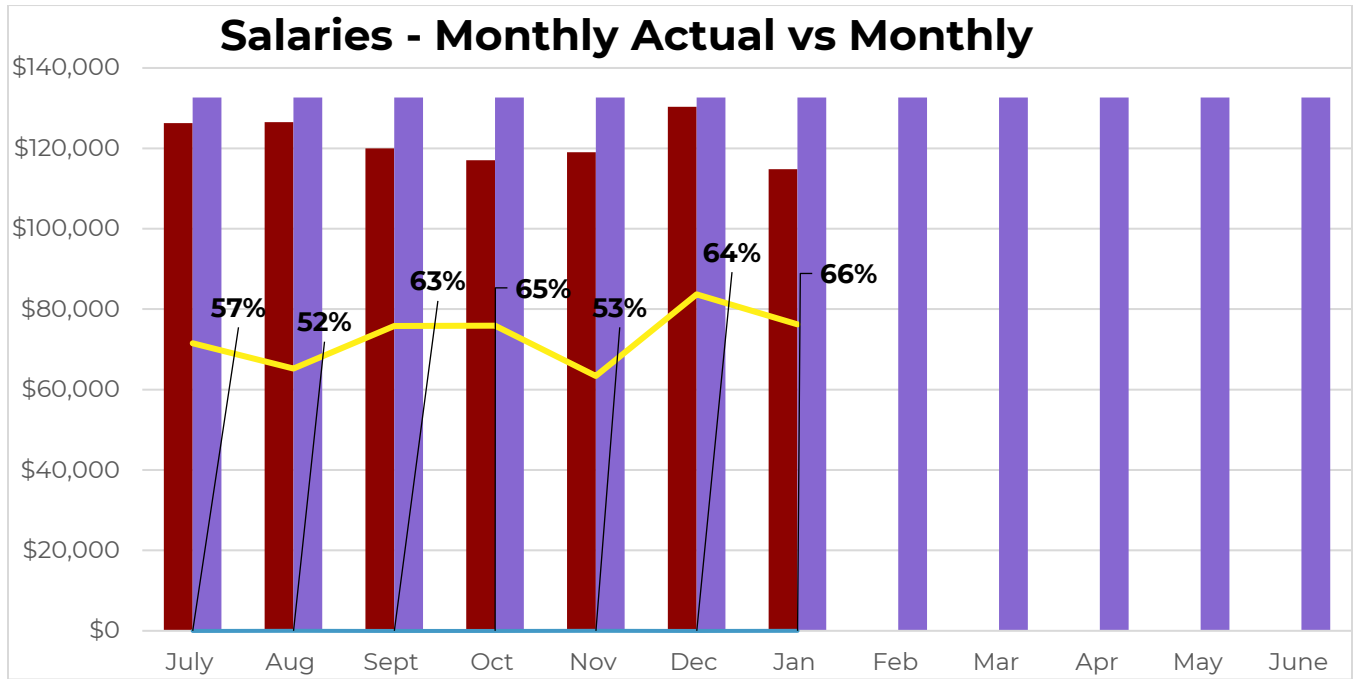
January performance was positive resulting in net operating income for the month of \$5,574.

Expenses:

January’s total Year to Date expenses were 73.5% of those budgeted for the period. The lagging expenses are primarily due to timing of pass through expenses. Staff is recasting the FY2021 budget to better estimate the likely expenditures to occur in the current fiscal year.

Overall, salaries and related expenses are within budget. However, leave wages (including holidays) for the fiscal year is pacing higher than anticipated for the first two quarters of the

fiscal year at 1.5 times the expected amount. Higher than expected leave wages maintains the expense without ability to generate revenue for that time. This is evident in the following table, showing an average of 60% of reimbursable wages through grants.



Note: Previous financial statements covered the 16th of the previous month through the 15th of the titled month (example, November Financial Statements included in this meeting packet cover October 16th: November 15th). This practice was discovered and addressed in December to return financial statements to covering the total month for which it is titled. Therefore, December's original statements cover three pay periods from November 16th through December 31st. January's statements cover two pay periods; going forward statements will cover the named period (January statements cover January 1 through 31).



Year to Date Net Income/Loss:

The first quarter’s financial statements reported a Year-to-Date (through September 16, 2020) total net loss of (\$42,091). From September 16th through December 31st, we incurred additional losses of (\$11,816), bringing the year to date net loss at December 31 to (\$53,907). January’s positive performance reduced the YTD deficit by \$5,754 to a Year to Date net loss of \$48,153.

The table below summarizes the year to date share of time recorded by staff among categories. The first grouping shows the year to date expenditure of staff time is imbalanced with a greater proportion of time taken for leave than anticipated- with specific impact to anticipated time in grant reimburseable programs. The second grouping shows the comparison by program area.

	Year to Date	Annual Forecast	Variance
Indirect	16.07%	15.93%	0.14%
Leave (Fringe)	13.81%	10.75%	3.06%
General Fund	5.59%	4.84%	0.75%
Grant Reimbursable	64.53%	68.48%	-3.95%
Leave	13.81%	10.70%	3.11%
Administration	16.10%	15.90%	0.20%
Community Development	0.36%	0.76%	-0.40%
Data, Research & Analysis	5.02%	4.44%	0.58%
Emergency Management	5.15%	5.39%	-0.24%
The Environment	12.24%	10.3%	1.94%
Strategic Partnerships	0.04%	0.14%	-0.10%
Transportation	47.27%	52.35%	-5.08%

In June 2020 the Commission approved a budget that provided for 22 full time positions and 8 part time positions with the caveat that new positions would not be filled without prior approval. To date, one new part time position was approved to fill and remains vacant. Summer Internships have ended which explains the difference between approved and filled part time positions shown in the table below.

PlanRVA Filled Positions
Summary

	Total Budgeted Positions*	Total Approved Positions*	Total Filled Positions*
Full Time	22	19	19
Part Time	8	8	5

Staff will continue to adjust to accelerate improvements for the third and fourth quarters to achieve a positive result by the end of the fiscal year.

The following are actions reviewed with the Finance Committee on January 26th to address the agency's year to date unfavorable financial performance:

- Reduce Expenses
 - o Limit indirect (non-personnel) expenses
 - Copier leases renegotiated
 - Evaluating software and other subscription and support needs
 - Suspend all non-contractual expenditures in 3rd quarter
 - Grant reimburseable expenditures may be approved
 - o Suspend expenditures within the Capital Expenses line item
- Maximize Revenue
 - o Reassign time from agency funded activities to grant funded activities
 - Limit staff activity in general support areas, affecting assignments to three staff members for the remainder of this fiscal year
 - Assign hours to new program awards
- Strengthen Internal Reviews
 - o Tighten controls for timecard review
 - o Increase communication regarding scheduled leave
 - o Technical assistance for Financial Management

PlanRVA
Profit & Loss Statement
January 2021 YTD

Income	Jan-21	Dec-20 (Original)	Adjustment
4100 Federal Funding			
4101 MPO FHWA/PL Funds - Fed share	76,648	78,914	(53,103)
4102 MPO Sect 5303 Funds - Fed share	20,226	27,538	(6,638)
4105 MPO Pass-Through	39,685	0	
4110 DEQ-FY18/19Coastal - TAC	0	4,785	
4111 FY20 Rural Coastal VA Mktg	0	191	
4112 FY20 Lower Chickahominy	4,063	4,970	
4113 FY20 Coastal TA & Resiliency	3,806	1,472	
4114 FY18/19 Coastal - Lwr Chickahominy	0	51,040	
4115 CBRAP - WIP3/Fed Share	6,855	14,417	
4120 VDEM SHSP	2,887	9,966	
4130 VDEM Pass-through grants	10,516	5,400	
4140 Hazard Mitigation	6,232	896	
4190 Analysis of Impediments/Fair Housing	0	35,057	
Total 4100 Federal Funding	\$170,918	\$234,646	(\$59,741)
4200 State Funding			
4201 MPO FHWA/PL Funds - State share	9,581	9,864	(5,884)
4202 MPO Sec. 5303 - State share	2,528	3,442	(736)
4205 State MPO Pass-Through	9,921	0	
4210 VDOT Rural Planning	2,655	1,868	
4220 Hazard Mitigation Plan	1,662	162	
4230 State Appropriation	9,549	9,236	
Total 4200 State Funding	\$35,896	\$24,572	(\$6,620)
4300 Local Funding			
4301 TPO Assessment	4,204	4,204	
4310 Local Membership Dues	45,440	40,854	
4315 Service/Fee Income	15,164	24,854	
4320 Capital Region Collaborative	882	386	
Total 4300 Local Funding	\$65,690	\$70,298	\$0
4400 Private Funding			
4420 Community Impact			
4360 FOLAR Grant	6,246	6,246	

January 2021 YTD

	Jan-21	Dec-20	Adjustment
Total 4410 Restricted Contributions	\$6,246	\$6,246	\$0
5000 Other Income			
5001 Interest Income	86	94	
5010 Miscellaneous Income	0	0	
Total 5000 Other Income	86	94	0
Total Income	\$278,837	\$335,856	(\$66,361)
Expenses			
6000 Salary & Wages			
6100 Wages - Local	14,583	27,247	
6101 Leave Wages	13,111	41,033	
6102 Leave Paid Out			
6105 Salaries - Part Time Chargeable	8,648	12,785	
6110 Salaries - Full Time Chargeable	78,476	99,751	(50,504)
6200 Payroll Taxes	16,204	9,313	(4,050)
6500 Benefits			
6512 Healthcare	16,048	18,116	
6531 VRS Retirement Contribution	10,708	10,758	
retirement)	1,153	1,153	
6535 Hybrid 401 A (matching funds)	379	379	
6541 LTD	282	970	
6542 Hybrid VRS ST & LT Disability	0	175	
6550 FSA/HSA Section 125 Plans	277	445	
6580 Payroll Fees	401	152	
6590 Training	0	25	
Total 6000 Salary & Wages	\$160,269	\$222,302	(\$54,554)
7720 Legal Fees - Other	0	0	
7721 General Counsel	2,000	2,000	
Total 7720 Legal Fees	\$2,000	\$2,000	\$0
7730 Contracted Services	\$10,400	\$0	
Total 7100 Professional Fees	\$12,400	\$2,000	\$0
7200 Office Expenses			
7220 Computer Operations			
7221 Virtual Desktop Operations	9,458	8,855	
7222 Software	716	553	
7223 Broadband/network/telephone	1,209	606	
7224 Desktops & Support	1,076	1,076	

January 2021 YTD

	Jan-21	Dec-20	Adjustment
7226 Technology services	0	0	
Total 7220 Computer Operations	\$12,459	\$11,090	\$0
7230 Printing	2,911	2,636	
7235 Supplies	39	50	
7245 Postage	0	0	
7250 Public Outreach/Advertisements	0	961	
7290 Miscellaneous Expenses	500	1,270	
7295 Bank Fees	70	82	
Total 7200 Office Expenses	\$15,979	\$16,089	\$0
7400 Program Expenses			
7410 Organizational Dues	1,142	2,476	
7420 Travel - Board			
7425 Travel - Agency	0	92	
7430 Books & Periodicals	12	12	
7450 Pass-through and Matching funds			
7451 Pass Through Funds - MPO	49,606	0	
7452 Pass Through Funds (VDEM)	10,516	5,400	
7454 Pass-through funds - Lower Ck	0	0	
7457 Pass-Thru Hazard Mitigation	0	0	
7459 Other Pass-Thru Expenses - A/CI	0	82,737	
Total 7450 Pass-thru and Matching funds	60,122	88,137	
Total 7400 Program Expenses	\$61,276	\$90,717	\$0
7600 Infrastructure			
7210 Rent	20,876	20,876	
7240 Insurance	573	573	
7680 Depreciation Expense	1,710	1,710	
Total 7600 Infrastructure	23,159	23,159	0
Total Expenses	273,082	354,267	(54,554)
Net Operating Income	\$5,754	(\$18,411)	(\$11,807)
Other Expenses			
7900 Capital Expense Projects	0	1,125	
7950 Transfer to/from Reserves	0	0	
7951 Trf to Reserves - Fund Balance Goal	0	0	
7952 Trf to Local Match	0	(4,586)	
Total Other Expenses	0	(3,461)	0
Net Income (Loss)	\$5,754	(\$14,950)	(\$11,807)

Notes:

YTD Net Loss is (\$48,153)

Total Income is underbudget 35%; the year-to-date average on salary reimbursements is 60%

Salaries & Wages are 8% favorable with budget

January 2021 YTD

	<u>Jan-21</u>	<u>Dec-20</u>	Adjustment
Program Expenses are 75.6% below expected due to program deadlines extended			
Computer Operations and Office Expenses are slightly favorable to budget			
Note: the PlanRVA MOU with CVTA has been approved, anticipate Jan21 amendment			

Richmond Regional PDC
Balance Sheet
As of January 31, 2021

	<u>Statement of Net Position</u>	<u>Balance Sheet</u>
ASSETS		
Current Assets		
Bank Accounts		
1050 LGIP-Virginia Dept of Treasury	754,221.89	754,221.89
1070 SunTrust Checking 8921	47,557.12	47,557.12
Total Bank Accounts	801,779.01	801,779.01
Accounts Receivable		
1200 Accounts Receivable	575,853.94	575,853.94
Total Accounts Receivable	575,853.94	575,853.94
Other Current Assets		
1150 Prepaid Expenses	14,246.01	14,246.01
1250 Misc Receivables - Grants	194,963.95	194,963.95
1300 Due from CVTA	138,492.33	138,492.33
Total Other Current Assets	347,702.29	347,702.29
Total Current Assets	1,725,335.24	1,725,335.24
Fixed Assets		
1300 Property & Equipment	351,457.57	351,457.57
1350 Accumulated Depreciation	(254,767.02)	(254,767.02)
Total Fixed Assets	96,690.55	96,690.55
Total Other Assets	259,332.67	-
TOTAL ASSETS	2,081,358.46	1,822,025.79
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable	186,972.36	186,972.36
Total Accounts Payable	186,972.36	186,972.36
Other Current Liabilities		
2050 Accrued Expenses	59,230.22	59,230.22
2500 Compensated Absences	94,701.40	94,701.40
2525 Deferred Revenue	318,532.47	318,532.47
2600 Security Deposit	2,664.66	2,664.66
Total Other Current Liabilities	475,128.75	475,128.75
Total Current Liabilities	662,101.11	662,101.11
Long-Term Liabilities		
2800 Deferred Rent Liability	22,959.30	-
2900 Net Pension Liability	584,259.00	-
2950 Deferred Inflows	130,799.00	-
Total Long-Term Liabilities	738,017.30	-
Total Liabilities	1,400,118.41	662,101.11
Fund Balance		

Nonspendable	14,246.01	14,246.01
Unassigned Fund Balance	666,994.04	1,145,678.67
Total Fund Balance	<u>681,240.05</u>	<u>1,159,924.68</u>
TOTAL LIABILITIES AND FUND BALANCE	2,081,358.46	1,822,025.79
Unrestricted Reserve - End of FY 20 (adjusted)	1,165,897	
Net Surplus (Deficit) January YTD 2021	(48,156)	
Special Assessments Collected FY21	30,122	
Unrestricted Reserve - 12/31/20	<u><u>1,147,863</u></u>	