**COLUMBIA COUNTY COMMUNITY HEALTHCARE CONSORTIUM. INC.**

**MEETING NOTES**

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| **Committee: Budget and Finance** | | **Date: November 19, 2019** |
| **Board Members Attending: Jack Mabb (Chair), Bob Gibson, PJ Keeler, Kevin McDonald and Chelly Hegan (by phone)**  **Board Members Absent: Ken Stall and Casey O’Brien** | | **Guests: Terrence Pellitteri** |
| **Staff Members Attending: Claire Parde and John Ray** |
| **TOPIC** | **SUMMARY OF TOPIC DISCUSSED** | |
| Meeting with Terrence Pelliterri, CFP, AIF | The Committee meet with Terrence (TJ) Pelliterri, a Certified Financial Planner and Accredited Investment Fiduciary from North County Financial Group. The group discussed the issue, raised at an earlier meeting of the B&F Committee, of the personal liability of fiduciaries of the agency’s 401(k) profit-sharing account (see: “prudent man rule” for more information about this). TJ is a specialist in the matter of limiting liability by ensuring compliance with the IRS and Department of Labor and, most importantly, limiting exposure to complaint-driven litigation. He notes that mitigating our risk is less about the performance of our portfolio and more about our procedures. His recommends that we hire a 338 company that would be a named fiduciary and pick out and monitor our lineup of investment offerings. The 338 company would also provide guidelines for how to conduct ourselves, including convening once per quarter and documenting our procedures.  TJ reviewed our Investment Policy Statement (IPS) and noted that it lacks specificity about how and why funds should be removed—a key element—and yet is too detailed in other areas; he recommends that we pare it down and simplify it.  During a discussion about fees, TJ indicated that he believes he can reduce these from 120 to 70 basis points. Utilizing a 338 company would add some basis points to our fees; TJ pledged to cap the fees at 75.  **The motion to change the broker of record on the agency’s 401(k) profit sharing account and the agency’s investment account to TJ Pelliterri was made by Jack Mabb, seconded by Bob Gibson, and unanimously approved.** | |
| Approval to purchase vehicle | Claire reported that the Rip Van Winkle Foundation provided the Consortium with a grant in the amount of $30,000 to, among other things, purchase a new vehicle. Consequently, Claire requested approval to purchase a third 2019 Dodge Grand Caravan from an unknown supplier for a cost of $24,500 or less. **The motion to support this request was made by Bob Gibson, seconded by PJ Keeler, and unanimously approved.** It was noted that this will bring the total fleet size up to 13 vehicles. | |
| Review of 2020 Operating Budget | The Committee reviewed the agency’s 2020 Operating Budget, as prepared and presented by John Ray. It was noted that the budget includes expenses for a new position, a Director of Program Development, which will cause us to exceed our revenue. Chelly Hegan noted that as a result of the Strategic Planning process, we knew we were going to dip into the Fund balance, and recommended that Depreciation be put below the Expense line to make a distinction with the case budget; John will make this change. Furthermore, PJ Keeler recommended that a line for Reserve Funding be added on the Revenue side to be transparent about how we intend to draw upon that source of support; John will make this adjustment as well.  **The motion to recommend the budget, as amended, for approval by the Entire Board was made by PJ Keeler, seconded by Bob Gibson, and unanimously approved.** | |
| Financial Reports | The Committee inspected the Organization’s Financial Reports, including the Grants Receivable Aging Summary, the Statement of Financial Position (Balance Sheet), Statement of Activities (Income Statement) for the agency and transportation program, respectively, and the Statement of Revenues, Supports and Expenses, all of which are current to October 31, 2019. Additionally, John Ray offered his “Fiscal Highlights” report (see attached). | |
| Next meeting | **Tuesday, January 28th at 3:00 p.m.** This and all remaining meetings in the calendar year will be hosted by the Columbia County Department of Health in its conference room. | |