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

**MEETING NOTES**

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| **Committee: Budget and Finance** | | **Date: June 2, 2020** |
| **Board Members Attending: Jack Mabb (Chair), PJ Keeler, Ken Stall, Casey O’Brien**  **Board Members Absent: Bob Gibson and Kevin McDonald** | | **Guests: Terrence Pellitteri** |
| **Staff Members Attending: Claire Parde and John Ray** |
| **TOPIC** | **SUMMARY OF TOPIC DISCUSSED** | |
| Update on Investment Account | TJ Pellitteri, the manager of the agency’s investment account, provided an update to the Committee. TJ reported that when he took over the account while the market was high, he initially weighted the investments more heavily to fixed income (in the form of bonds) and less to equities. When the market dropped, he rebalanced the account, purchasing more equities while the price was low, and having fewer fixed income investments. TJ is pleased that he has managed to buffer the brunt of market losses on the account; for instance, when the market was down about 8 percentage points, the account was down about 4.  TJ also manages the agency’s 401(k) account. As previously reported, TJ recommended we engage a 338 to serve as a fiduciary on the account, which would help to mitigate the risk associated with IRS and DOL compliance, as well as civil suits. Subsequently, Claire executed an agreement with Iron Financial, a 338 company. A review of investments by Iron is expected in early July. | |
| Changes to Investment Policy | The Committee was provided with a document outlining proposed changes to the Investment Policy, most of which had been supplied by TJ Pellitteri. **Casey O’Brien made a motion to recommend these changes for approval to the Board. The motion was seconded by PJ Keeler and unanimously approved.** | |
| Report on Paycheck Protection Program | Claire reported that, following approval of the Executive Committee at its meeting of May 6th, she applied for a Paycheck Protection Program (PPP) loan from the Bank of Greene County. The loan, in the amount of $197,400, was received on Friday, May 8th. The entirety of this amount was recorded as a loan (liability), given that forgiveness in any amount is not certain and, for certain, will not be complete. Claire reported that, while she views the funds as a loan-interest loan for the purposes of managing cash flow at the agency, the State appears to be viewing it as a grant AND an opportunity to offset its contractual obligations. There have already been some patchy references, either directly from our Contract Managers at the NYSDOH or through the grapevine, to “double-dipping” and modifying our contract budgets to reduce the payroll expenses that will be absorbed by the PPP. At this time, we anticipate that guidance about the interplay of PPP loan funds and contract dollars will be forthcoming from the state. | |
| Enterprise Fleet Management | Claire reported that she and Jim Funk have been exploring the possibility of using Enterprise Fleet Management (EFM) for the purpose of vehicle financing. Both PJ Keeler and Ken Stall have experience with EFM and offered to share their experience, including the good points and drawbacks of the model. Claire will follow up. | |
| 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 April 30, 2020. Additionally, John Ray offered his “Fiscal Highlights” report. | |
| Scenario Planning | The Committee recommended that staff conduct some “worst case scenario” planning, preparing a set of projections for the agency’s overall operating budget using a combination of known facts and educated guesses. That will be prepared by and presented at the next meeting. | |
| Next meeting | **Tuesday, July 28th at 3:00 p.m. Location TBD** | |