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

**MEETING NOTES**

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| **Committee: Budget and Finance** | | **Date: July 28, 2020** |
| **Board Members Attending: Jack Mabb (Chair), PJ Keeler, Bob Gibson, and Casey O’Brien**  **Board Members Absent: Ken Stall 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 (“the Fund”) and the 401(k) profit-sharing account, provided an update to the Committee. TJ reminded the Committee that when he took over the investment 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. At this point in time, the Fund’s performance actually exceeds that of the S&P 500. However, TJ cautions that he does not expect this to continue, particularly as an election is approaching, which is typically disruptive to the markets.  TJ also manages the agency’s 401(k) account. As previously reported, the Consortium has engaged Iron Financial as its 3(38). We have now received our first communication from them, which includes a required communication to all plan participants and a report for the Plan Sponsor that details fund changes. TJ counseled Claire and John to print, initial, date and file the report to the Plan Sponsor. | |
| Scenario Planning | In response to the Committee’s request at its meeting of June 2nd, John Ray updated the agency’s operating budget to reflect changes, both real and potential, to revenue and expenses. The key assumptions that were used to revise the budget include:   * A 34% cut to the budgets of the RHN Program contract (1/20-12/20) & the Tobacco Program contract (7/1/20-6/30/21) * No cut to the Navigator Program budget at this time, as staff were recently asked to prepare and submit a contract year budget in the original award amount for the new contract year (8/1/20-7/31/21); however, this does not preclude a cut later * Existing budgets/agreements with County Departments will not be reduced * A small increase in Medicaid revenue when compared to the first three months of the COVID-19 period * Open positions will not be filled until the start of 2021 year * All grants receivables are 100% collectable (there has been no allowance for uncollectable/bad debt) * PPP loan is treated, in its entirety, as a liability, and not reflected as revenue   Claire pointed out that many of these assumptions are speculative; NYSDOH has signaled that there will be cuts to contract budgets but has not confirmed the amount, timing, or guidance  The Committee commended staff on their work forecasting revenues and expenses during this uncertain time. | |
| Report on Paycheck Protection Program | The monies from the Paycheck Protection Program have bolstered the agency’s cash balance. The agency has taken the approach of preserving these funds as much as possible by continuing to allocate otherwise eligible expenses to grant contracts. However, in order to maximize the forgiveness amount and to offset reductions in contract budgets, we expect to re-class some expenses that were previously allocated to contracts to the PPP funding stream. All of this is contingent on greater clarity about contract budget cuts and the interplay of contracts and the PPP loan. One good piece of news: it appears vehicle fuel may be considered a utility for the purposes of the PPP loan, which could mean that this significant transportation program cost is offset. | |
| 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 June 30, 2020. Additionally, John Ray offered his “Fiscal Highlights” report. | |
| Next meeting | **Tuesday, September 22nd at 3:00 p.m. Location TBD** | |