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

**MEETING NOTES**

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| **Committee: Budget and Finance**  | **Date: November 22, 2022** |
| **Board Members Attending: Jack Mabb (Chair), Bob Gibson, PJ Keeler, David Rossetti, Ken Stall** **Board Members Absent: Kevin McDonald** | **Guests: None** |
| **Staff Members Attending:** **John Ray and Claire Parde** |
| **TOPIC**  | **SUMMARY OF TOPIC DISCUSSED** |
| Proposed 2023 Operating Budget | Chairman Jack Mabb indicated that, given the importance of thoroughly reviewing the proposed 2023 Operating Budget, we had put off the Investment Advisor, TJ Pellitteri, for this meeting; the most recent investment statement will be circulated with TJ’s contact information, should anyone have any questions they would like to ask of him. Claire noted that, as previously discussed, the Transportation Program has incurred substantial losses in 2022 (expected to be roughly $135K by year-end) and that this has driven a negative operating budget for the agency overall. Fortunately, assets released from restriction –namely, $100K from the Foundation for Community Health’s General Operating Support grant--will largely offset these losses and those from the agency’s investment account. Similarly, losses predicted in the Transportation Program for 2023 of roughly $175K are expected to drive an overall loss in the agency’s operating budget of about $168K. While the agency’s fund balance and cash position allow for these losses in the short-term, the financial performance in both years makes it abundantly clear that something must be done to rebalance the Transportation Program budget.The Committee discussed both expense and revenue –side approaches. On the expense side, it was acknowledged that there is little that can be done to cut expenses except making significant reductions in service delivery. Claire noted that John recently assembled a breakeven analysis that indicated that in 2022, we would have needed to reduce service delivery by nearly 5,000 trips or about 41% of all those delivered in order to balance that year’s budget. Claire noted that the transportation team is currently contemplating other ways to reduce expenses, such as limiting out-of-town trips, as well as changing the model of service delivery from a “limo” type to a “shuttle” type (although the State’s current COVID restrictions continue to limit this approach). On the revenue side, it was noted that there has been a significant reduction in earned income from Medicaid, largely related to the reduction in service delivery transporting individuals to and from PROS at MHA. While this was initially regarded as a “pandemic effect” and that business was expected to eventually return, it is now clear that new models of service delivery at MHA, which rely more heavily on virtual options that are preferred by clients, will mean these changes will be more lasting. Board and Committee Member, David Rossetti, who is the ED at MHA, confirmed this conclusion. Moreover, that Medicaid business, which entailed very efficient and therefore lucrative transport of larger groups of clients, is not easy to replace. Consequently, it is clear that new sources of revenue must be found. The Committee discussed several options including the following: traditional fundraising from individuals and the business community to be conducted by the Director of Development; enhanced Columbia County support, with an emphasis on supporting service delivery to those 60 years and older; and enhanced foundation support, with the recommendation to contact the Home for the Aged. There was an acknowledgment that none of these approaches is likely to yield results quickly—there isn’t a “one-year fix”—but there was agreement that a multi-pronged approach with both expense-side and revenue-side strategies is needed.The Committee recommended that these strategies be outlined for the Entire Board when it meets to contemplate the budget. It was also recommended that the budget materials demonstrate the implications of the deficit budget on the Fund Balance. Claire and John will ensure the budget materials provided to the Board include these elements. After a thorough review of the budget and further discussion, **a motion to recommend it for adoption by the Entire Board was made by PJ Keeler, seconded by David Rossetti, and unanimously approved.**  |
| Financial Reports  | The Committee inspected the Organization’s Financial Reports, including the Statement of Revenues, Supports and Expenses, Aging Summary, the Statement of Financial Position (Balance Sheet), and Statements of Activities (Income Statement) for both the agency and transportation program, all of which are current to October 31, 2022. Additionally, John Ray offered his “Fiscal Highlights” report. As usual, these reports will be posted to the Board Portal for review by all interested Directors. |
| Next meeting | **Date, Time & Location: Tuesday, January 24, 2023 at 3:00 p.m., via Zoom** |