



Notes from the Board of Directors Meeting of April 7, 2021

I. Call to Order and Roll Call

Due to Covid-19 requirements, this meeting was held virtually on the Zoom web platform. All voting was done contemporaneously using computer audio.

The meeting was called to order by President Robin Andrews at 2:32 p.m.

The following members were present at the call to order: Robin Andrews, Robert Gibson, Chelly Hegan, PJ Keeler, Kevin McDonald, Casey O'Brien, Ken Stall, Scott Thomas, John Thompson, and Linda Tripp

The following members were absent at Roll Call: Theresa Lux, Jack Mabb, Art Proper, Jeff Rovitz, and Sarah Sterling

Also present were the following:

Nominees for election to the Board: Dan Almasi, Raina Cashdollar, Tina Lee, and Dorothy Urschel

Staff members: Claire Parde, John Ray, Lisa Thomas, and Ashling Kelly

Guests: Ken McGivney and Brittany Trela of the auditing firm, The Bonadio Group

[Sarah Sterling entered the meeting at 2:36 p.m.]

II. Presentation of Audit

Kenneth McGivney and Brittany Trela of the Bonadio Group presented the annual audit findings. The audited financial statements, IRS Form 990 (federal tax filing) and PowerPoint presentation on the audit were emailed to Board members and made available on the Board Portal (on website) prior to the meeting.

Highlights from Ken's audit presentation are as follows:

- During the audit, they conducted a wide variety of control testing, including payroll, disbursements, credit card transactions, and timeliness of reviews. All came back very clean, with no misstatements, material weaknesses, or significant deficiencies. John and Claire's efforts were greatly appreciated, especially in light of the pandemic's challenges.
- The five-year trend demonstrates consistency, steady, moderate growth, and stability, a success not shared by many state-funded non-profits
- Net assets over five years have strengthened by approximately 17.5% (\$650,000 to \$765,000)
- Total revenue has decreased by \$110K, primarily as a result of decreases in state contract revenue and in Medicaid revenue due to COVID-19 reductions in ridership
- Expenses have decreased by \$61K, primarily due to reductions in Transportation Program expenses, and fewer advertising and other expenses related to the Tobacco Control Program
- Operating revenue and operating expenses decreased in tandem, as appropriate
- The amount of revenue in accounts receivable was slightly higher than desired due to delays in state payment on cost-reimbursement contracts

There was brief discussion regarding the Paycheck Protection Program (PPP) loan. Claire reminded the Board that the agency expects a portion, but not all, of the loan to be forgiven. Until the forgiveness application has been submitted and that forgiven portion is quantified, the entirety of the PPP monies have been treated as a liability. The agency has also been careful about how it allocates expenses to the PPP monies, avoiding “double-dipping” with other contract-based sources of revenue. In response to a question regarding the risks to this conservative approach, Ken responded that there was likely no risk; in his view, the Consortium has taken a prudent approach to wait and see what happens with funding sources, break out the costs as John and Claire have done, and apply for forgiveness for those costs for which there is no other funding. Ken acknowledged that the agency had one of the most knowledgeable and level-headed approaches to the PPP that he had seen.

With no further questions presented, Claire told the Board that staff was prepared to exit the meeting to enable the members to enter into an Executive session, which is considered a best practice. However, a concern was raised about the Board member candidates, who had not yet been elected, being present for that discussion. Ken McGivney stated that he had no issues to bring to the attention of the Board, and nothing he would not feel comfortable sharing with the management team or Board candidates.

After brief discussion, Chelly Hegan made a motion that, due to the limitation of having to meet remotely because of COVID, the Board would forgo an Executive Session and communicate directly with the auditor via email should there be questions. The motion was seconded by Linda Tripp, and unanimously approved.

Bob Gibson requested the minutes reflect his appreciation as a Board member for being given the opportunity to go into Executive session; having heard the explanations given by both participants, he supported the motion.

Robin requested a motion to accept the audited financial statements.

Be it RESOLVED, the Board of Directors moves to accept the audited financial statements.

The motion was made by Casey O’Brien, seconded by Scott Thomas, and unanimously approved by the Independent Directors. *[Non-Independent Directors PJ Keeler and Kevin McDonald abstained].*

Robin requested a motion to approve and file the IRS form 990 and NY CHAR 500.

Be it RESOLVED, the Board of Directors moves to approve the IRS Form 990 and NY CHAR 500.

The motion was made by Chelly Hegan, seconded by Linda Tripp, and unanimously approved by the Independent Directors. *[Non-Independent Directors PJ Keeler and Kevin McDonald abstained].*

[At this time, Ken McGivney and Brittany Trela left the meeting.]

III. Consent Agenda

A. Board of Directors meeting minutes of February 3, 2021

B. Committee meeting minutes:

- Executive Committee Meeting of March 3, 2021
- Corporate Compliance Committee Meeting of March 3, 2021
- Budget and Finance Committee Meeting of March 23, 2021
- Governance Committee Meeting of March 24, 2021

Be it RESOLVED, the Board of Directors moves to accept the minutes/actions for the Board of Directors meeting of February 3, 2021, and all Committee meeting minutes.

Motion made by Chelly Hegan, seconded by Scott Thomas, and unanimously approved.

IV. Personnel Policy Additions

Claire discussed the agency's recent difficulties renewing its business lines of insurance (all have a renewal date of 2/1), which were related to an increased insurance industry focus on abuse and molestation; Philadelphia Insurance Company was prepared to significantly reduce the Consortium's abuse and molestation coverage. Due to a recent change in personnel at our brokerage house, Rose and Kiernan, our difficulties were compounded, as we received little advance notice about these coverage limitations, and lacked a broker with knowledge of our operation who could effectively advocate with Philadelphia on our behalf. After much negotiation, Philadelphia agreed to restore the Consortium's previous level of Abuse and Molestation coverage provided the agency complete the following items in a timely manner: completion of background checks on all current and future employees; annual administration of abuse prevention training; and, adoption and implementation of an abuse prevention policy. Claire reported that the first two items were completed earlier in the year and it is that last item for which approval from the Board was being sought.

Be it RESOLVED, the Board of Directors approves Personnel Policy 1005: Abuse Prevention Policy.

Motion made by Chelly Hegan, seconded by Scott Thomas, and unanimously approved.

Claire reminded the members that in January 2021 staff were notified that they had begun accruing New York Paid Sick and Safe Leave (NYPSL) on September 30th, 2020, and that accrued time was available for use as of January 1st. Awaiting further guidance from New York State, specifically regarding carryover of NYPSL hours, the agency delayed creating a formal personnel policy. However, as time passed, it became apparent that no further guidance would be forthcoming, and we proceeded to draft a policy that was then shared with legal counsel. That counsel advised to segregating NYPSL from personal and vacation time, which had formerly been bundled in Pooled Time Off (PTO). This change requires a reduction in rates of accrual for vacation and personal time in order to carve out the required NYPSL accrual. However, these changes do not result in an overall loss of time for any staff; the combined total of NYPSL and vacation and personal time would remain equal to, or slightly better than, previous levels.

[Chelly Hegan left the meeting at 3:26 p.m.]

[Scott Thomas left the meeting at 3:27 p.m.]

A member noted that the NYPSL policy's effective date should reflect the date those hours became available for use. Claire expressed a desire to make the vacation and personal accrual rate changes effective beginning with the next payroll period rather than retroactive to January 1st. After some discussion, the Board voted to approve the new policy and its related changes with different effective dates.

Be it RESOLVED, the Board of Directors approves Personnel Policy 906: New York Paid Sick Leave with an effective date of January 1, 2021, and various changes to other impacted policies, as presented, with an effective date of April 11, 2021.

Motion made by Ken Stall, seconded by Linda Tripp, and unanimously approved.

V. Treasurer's Report

In Treasurer Jack Mabb's absence, Claire referenced the Fiscal Highlights Report, noting that the agency's cash position is strong.

VI. Executive Director's Report

The Executive Director's report was emailed to Board members prior to the meeting. Claire asked if anyone had any questions; there were none. A suggestion was made to send the report to the new members following the Annual Meeting and their election, which staff will do.

VII. Adjournment

The business meeting was adjourned at 3:32 p.m. following a motion by Casey O'Brien.

Respectfully Submitted,


Linda Tripp, Board Secretary