



St. Louis Office for Developmental Disability Resources

Minutes of the Finance Committee

May 6, 2021

Board Members Present:

William Siedhoff, Chairperson

David Weber, Board Member

Patrick Brennan, Treasurer and Committee Chair

Board Members Absent:

None

Staff Members Present:

Shaelene Plank, Executive Director

Jack Neyens, Financial Consultant

Lisa Briggs, Controller

Rachel Shapiro, Executive Assistant

Guests Present:

Brian Cherrick, Wells Fargo Advisor

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1. The meeting was called to order at 4:01 pm by Patrick Brennan. Introductions were made.
 2. Presentation of Wells Fargo Quarterly Investment reports by Brian Cherrick
 - a. Current CDs are yielding .05% or less. As CDs mature, we are replacing those with better rates. He is letting our portfolio be short term to be more defensive in our posture to capture the higher yields. We have a ladder of maturities every month. Cash may be transferred for expenses or reinvested.
 - b. Compliance – all securities are in alignment with State guidelines (Security selection and structure) and we are getting above market returns.
 - c. Discussion about whether we should have an official policy pertaining to the income from the Wells Fargo income. Shaelene will look at our investment policy to make sure there is nothing specific in there already. Will talk about it further later.
 - d. Brian went over the disposition of the assets. Cash comes in significantly when DD Resources receives a tax infusion at beginning of year. Money goes out the rest of the year.
 - e. Overview of fixed income assets: Combination of Corporate bonds (CDs) and Government bonds (have a government guarantee behind them). Rate on CDs is slightly higher than that of government bonds. Cash flows and statistics (average yield and duration of current bonds that are held) were reviewed.
 - f. Our bonds are short-term bonds. They are all 5 years or less in duration. Most assets are short-term in cash and we have a ladder portfolio which has maturities coming due in following years. Brian looks daily for CDs to fill in those years.
 - g. Emphasized the V-shaped structure of our cash situation. Over sixteen years, we have earned 2% per annum. \$10 million invested has earned over \$4 million.
 3. Presentation of February 2021 and March 2021 Financial statements by Lisa Briggs
 - a. Lisa went over the financial statements. Only need \$3.2 million to cover remainder of fiscal year if we use all our budget.
 - b. Human capital is at 31 as of March. Now we are at 30 (one person left in April).
 - c. TCM is under budget by \$219,000 because we have been low on some Service Advocates and with not being able to do in-person visits due to COVID. Expenses are \$850,000 under budget as of 3/31. Hopefully will steady out. Bulk is agency awards. Some agencies could not do programs at all. TCM sections of the report show revenue compared to last year and budget. This year in the red \$166,000 because of decreased revenue. Expenses are under budget for TCM, but not as much as revenue is under. Lisa also showed the forecast, and it looks like we will end with a net change of \$308,000.

- d. **Bill moved to approve the February 2021 and March 2021 Financial Statements and send to the full board for approval at the 5/13/21 meeting. David seconded. All in favor. None opposed. The motion carries.**
4. Presentation of Bank Services Proposal(s) by Lisa Briggs
 - a. Lisa sent out an RFP for new banking services. Current bank would not collateralize our public funds (which has been recommended by our auditors). Safeguards our funds over \$250,000. We also wanted to be able to upload ACH batches from our accounting system.
 - b. The proposal we received was from Commerce Bank. It is a regional bank with a dedicated relationship staff. It is the 16th largest US bank as measured by Market Cap. Their fees are lower, and they will enter into a depository agreement to collateralize our funds. Additionally, they have online management of our Business Plus credit cards as well as the ability to upload ACH batch files. We propose to transfer banking services from Bank of America to Commerce as of July 1st. Does not affect our Wells Fargo funds.
 - c. **David moved to approve the Bank Services Proposal and send to the full board for approval at the 5/13/21 meeting. Pat seconded. All in favor. None opposed. The motion carries.**
 5. Presentation of Compensation Proposal for FY22 by Lisa Briggs
 - a. Lisa presented our compensation proposal. Budgeting 33 staff (current year was 32) – will be adding one new position – communications & marketing (will be sharing those costs with PLB). The part funded by them is recorded as “other revenue”. We expensed the total to us and added the PLB half as other revenue. This person would be our employee, would receive our benefits, etc. This is similar to the way the Alliance has been working.
 - b. Raise pool will be \$90,108. Could be 13% or 14% increase in health insurance benefits, but still to be determined.
 - c. **David moved to approve Compensation Proposal for FY22 and send to the full board for approval at the 5/13/21 meeting. Bill seconded. All in favor. None opposed. The motion carries.**
 6. Presentation of FY 2022 budget Draft by Lisa Briggs
 - a. Most agencies will receive a 2% COLA. Increasing the budget by \$186K.
 - b. This year TCM was negative, but that is starting to change. Started doing in-person meetings. Revenue and expenses are almost flat. Our goal is a balanced budget, with the staff required to bill 80% of their hours.
 - c. Revenue: Increasing tax revenue \$100K to align with FY21 forecast. TIF unchanged. Lower interest rate budgeted (do not look like they will go up soon). Intergovernmental will go up \$4K for MODot grant increase. Will not know amount until after July (after budget approved).
 - d. Expenses: Facilities goes up slightly (rent). Operating budget decreased by \$235K (various lines). Other SB40s budget negative budgets for agency underutilization. Would like to approve full budget and if underutilized will be negative.
 - e. Would like to bring down our \$400K excess in a sound way. Will see how things go the first few months and then possibly open it up to see what new agencies may be interested.
 - f. Does the committee want to meet again before the June board meeting? Usually, we approve agency funding in May, but we pushed it off this year. The Program Committee is not meeting for two weeks. Once they do, we will have a finalized agency and funded agency budget. We do not have exact numbers yet, but this draft is close. The Finance Committee agreed to approve this draft if the numbers will be close, and there would be no need to meet again. If the Program Committee comes back with a lot more in funding, we can get back together for another meeting.
 - g. Discussion about why we are not giving more money out. Goal is to have a year’s worth of budget in reserves. Will likely allow new agencies to apply for funding mid-year FY22 and/or FY23.
 - h. **David moved to approve the presented draft of the FY2022 Budget and to send it to the full board for approval at the 6/10/21 meeting. Bill seconded. All in favor. None opposed. The motion carries.**

7. Continuation of grant funding for agencies for FY22.
 - a. Last year the Board voted during the pandemic to go to a grant funding model rather than a POS model. It has been a tremendous help to agencies because they have not had as many clients. Venues have had capacity limits due to the pandemic. To align with the other Alliance members, we would like to continue grant funding starting FY22 with the hope that we can return to POS by January. Will continue to evaluate during the first half of FY22. We are asking the Finance Committee to approve this decision and take it to the full board for approval.
 - b. **David moved to approve the continuation of grant funding and to take it to the full board for approval. Bill seconded the motion. All in favor. None opposed. Motion carries.**

8. Discussion about board restricted funds.
 - a. Proposal to present to full board to release the restricted capital needs funds and put them back into unrestricted funds. At the time it was established, the board did not know how much we would get for selling buildings and was not sure what it would cost to move and upgrade our IT; therefore, they wanted to keep \$1.5 million as board restricted. We have completed the move and upgrades and would like to discontinue having to allocate money to that fund every month. The committee agreed that the Executive Director should have the authority to make that decision and agreed we no longer needed to restrict those funds.
 - b. **David moved to eliminate the board restricted capital needs fund and bring it to the full board. Pat seconded the motion. All in favor. None opposed. Motion carries.**

9. Call for motion to adjourn – **Bill moved to adjourn the meeting. David seconded the motion. All in favor. None opposed. The meeting was adjourned at 5:07 pm.**

DocuSigned by:

Cynthia Mueller

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Cynthia Mueller, Secretary

5/25/2021

Date Approved