



From the Desk of:

Emily Fagle, Finance Director

383 Broadway, Fort Edward, NY 12828

Finance Committee Meeting

Minutes: 02/15/2022

Members in Attendance: Bob Dingman, Treasurer; Benjamin Bishop, Member; Jeff Meyer, Chairman

Staff present: Emily Fagle, Finance Director

This meeting was held via Zoom. The meeting opened at 1pm. The materials distributed and reviewed on the call are attached to these minutes. The purpose of the meeting was to review L.E.A.P. 2022-2023 budget. Key discussion points as follows:

- While the budget reviewed is inclusive of all programming, due to the fact that the Head Start piece of this budget was reviewed and approved at the December 6th 2021 Board Meeting, the focus of today's meeting was on the Career & Family Services programs, fundraising and administration.
- Key staffing assumption: At the time this budget was prepared, the agency had offered the ED position to a candidate with strong fundraising experience. Therefore, the Outreach & Development Coordinator role (currently vacant and on hold) was removed and replaced with the Community Resource Coordinator for the full year; a term-position that is otherwise no longer funded beyond the end of the CSBG CARES grant (09/30/2022).
 - Note: While this budget shows full spend across all funding sources, we anticipate having to respond to the staff shortage crisis with one-time investments in recruitment and retention
- Staff Benefits – questions were asked around the agency's under-utilized health benefits. Emily will reach out to Jaeger & Flynn to inquire about a "Cafeteria Plan" benefits package, in an effort to address both underspending and push benefits to eligible staff who may not be enrolled in the health plan (or utilize its benefits in full).
 - Contracts – a placeholder for continued work with Trampoline to support the new ED in outreach efforts is included. Emily noted that this would also be the year that we would

normally have to put audit services out to bid (end of three-year contract), however according to our revised procurement policy (October 2021), Emily requested extending their term for two more years. Committee did not see issue with this.

- Fundraising – an estimated \$20k in raised (unrestricted) funds as a goal for the year, netting \$10k by year-end.
- Other - Emily reviewed some of the opportunities and threats, including but not limited to the impact on programming, retention and recruitment following a nationwide shift in staffing patterns, a secondary result of the pandemic.

Motion made to approve the agency budget as presented, to be brought forth to the March 7th Board of Directors meeting for a formal vote, made by Bob Dingman. Second by Ben Bishop. Unanimously approved. Carried.

The final piece of information shared with the committee is a plan to address the under-spend within the Year 2 Head Start grant ending on March 31st, 2022. The underspend is a projected \$350k. The agency plans to submit a budget revision to the Office of Head Start requesting to use a portion of these surplus funds to purchase a new bus to serve the Hudson Falls and Fort Edward area Head Start children. The remaining surplus will be applied to the under-funded (frozen) defined benefit pension plan. An investment that should help to improve the plan's under-funded status, as well as save the agency on required (cash) contributions towards the plan over the next several years.

Meeting concluded at 1:40pm.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Emily Fagle', written in a cursive style.

Emily Fagle, Finance Director | L.E.A.P.

LEAP Budget 2022-2023

Budget does not include passthrough income & expense: Youth Bureau contract, Regional Food Bank grant; one-time funding (Head Start ARP, CRRSA)

	Head Start			Employment Services			Transportation & Emergency Assistance				Fee for Service / Other			
	Head Start Grant	CACFP	Washington County Contract	WIOA Grant	TANF Grant	Washington County SSI Contract	Washington County OFA/Transport/Food Pantry	Regional Food Bank (OSP) Funding	CSBG Grant	CSBG CARES	NYS LIHEAP	Lease Income	Private Fundraising	
Public Grants	\$ 4,627,445	\$ 159,790		\$ 433,601	\$ 125,000			\$ 1,971	\$ 245,000	\$ 175,000				\$ 5,767,806
Private Grants														\$ -
Contract Income														\$ -
Washington County Contract(s)			\$ 46,125			\$ 27,000	\$ 131,448							\$ 204,573
Fee-for-Service Income											\$ 8,000	\$ 2,520		\$ 10,520
Individual Donations													\$ 20,000	\$ 20,000
In-Kind Revenue	\$ 1,156,861			\$ 20,000		\$ 2,500	\$ 20,000							\$ 1,199,361
Revenue	\$ 5,784,306	\$ 159,790	\$ 46,125	\$ 453,601	\$ 125,000	\$ 29,500	\$ 151,448	\$ 1,971	\$ 245,000	\$ 175,000	\$ 8,000	\$ 2,520	\$ 20,000	\$ 7,202,260
Personnel	\$ 3,086,420	\$ 33,598	\$ 6,753	\$ 206,120	\$ 30,664	\$ 19,758	\$ 88,875	\$ 1,714	\$ 161,291	\$ 48,487	\$ 2,000			\$ 3,685,680 (1)
Fringe Benefits & P/R Taxes	\$ 860,483	\$ 6,192	\$ 1,392	\$ 53,742	\$ 5,934	\$ 4,134	\$ 18,558	\$ 183	\$ 30,373	\$ 6,098	\$ 200			\$ 987,288 (2)
Professional Services	\$ 105,788	\$ -	\$ 37,980	\$ 34,759	\$ 1,500	\$ 1,770	\$ 3,477	\$ 73	\$ 7,237	\$ 29,415	\$ -	\$ -	\$ -	\$ 222,000 (3)
Supplies & Equipment	\$ 104,000	\$ 120,000	\$ -	\$ 7,500	\$ 400	\$ 200	\$ 2,000	\$ -	\$ 4,000	\$ 20,000	\$ 2,500	\$ -	\$ -	\$ 260,600
Client Beneficiary Cost	\$ -	\$ -	\$ -	\$ 118,000	\$ 86,452	\$ -	\$ -	\$ -	\$ 20,000	\$ 24,000	\$ -	\$ -	\$ -	\$ 248,452 (4)
Insurance Expense	\$ 31,112	\$ -	\$ -	\$ 3,520	\$ -	\$ 430	\$ 5,263	\$ -	\$ 4,988	\$ 1,500	\$ 1,200	\$ -	\$ -	\$ 48,012
Training & Travel	\$ 65,000	\$ -	\$ -	\$ 1,500	\$ 50	\$ 50	\$ 250	\$ -	\$ 1,500	\$ 500	\$ -	\$ -	\$ -	\$ 68,850
Transportation	\$ 112,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,641	\$ -	\$ 15,000	\$ 35,000	\$ 500	\$ -	\$ -	\$ 174,528 (5)
Occupancy	\$ 239,465	\$ -	\$ -	\$ 7,220	\$ -	\$ 575	\$ 1,068	\$ -	\$ -	\$ 10,000	\$ 1,198	\$ 1,198	\$ -	\$ 260,724
Other Expense	\$ 22,790	\$ -	\$ -	\$ 1,240	\$ -	\$ 83	\$ 318	\$ -	\$ 613	\$ -	\$ -	\$ -	\$ 10,000	\$ 35,043 (6)
<i>In-Kind Expenses</i>	\$ 1,156,861	\$ -	\$ -	\$ 20,000	\$ 2,500	\$ 20,000	\$ 20,000							\$ 1,199,361
EXPENSES	\$ 5,784,307	\$ 159,790	\$ 46,125	\$ 453,601	\$ 125,000	\$ 29,500	\$ 151,448	\$ 1,971	\$ 245,000	\$ 175,000	\$ 7,598	\$ 1,198	\$ 10,000	\$ 7,190,537
	\$ (0)	\$ -	\$ -	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ -	\$ (0)	\$ 0	\$ 402	\$ 1,322	\$ 10,000	\$ 11,723

(1) Personnel line (wages) based on following assumptions:

- Outreach & Development Coordinator position not backfilled (ED to pickup management of partners/donors, w/ social media managed by Trampoline)
- Community Resource Coordinator to be long-term beyond CSBG CARES end date (funded by above) - this role can also support partner management
- Vacancy assumption: \$44k (or 1%), Head Start only; very conservative estimate *

* If vacancy trend continues - continuation of one-time costs to improve retention and recruitment (sign on bonus, contracted recruitment, longevity bonuses)

(2) Benefits & Payroll Taxes based on following assumptions:

- FICA, UI consistent with 21-22 % rates
- Workers Comp bumped to align with 2021 rates (increased based on 2021 audit)
- Staff retirement and health benefits : No change; assume 1% 401k contribution, \$500 HRA and 81% contribution to individual health coverage *

* Assumes 44 total staff eligible; 35 active as of Feb 1st - leaves \$68k to be reallocated to staff (could give anywhere from \$500-\$1000 per person in other benefits with these "savings")

(3) Professional Services based on following assumptions:

- Built into this budget \$10k in another contract renewal with Trampoline Design
- Plan to extend EFPR contract by 2 years (based on new procurement policy) locking in the same rate
- Other ongoing subscriptions (software), payroll processing fees, etc.

(4) Client Support Services

- YTD (21-22) have distributed \$80k in WIOA-specific trainings (\$100k by year-end), stipends, etc.; estimating a bump to \$118k in 22-23
- Assume flat amount in 2022 for SYEP program (though growth over the last 3 years)

(5) Transportation

- Renewed 5 year fleet lease with Enterprise, capturing a savings based on equity position of current fleet of minivans (19 in total)
- Plan to add one new (cargo van) vehicle for food pantry delivery using CSBG CARES funding

(6) Costs to be covered by unrestricted sources

- Staff gifts, marketing and advertising merchandise, other costs not covered by public donors- estimated \$10k *

* Can be adjusted up or down based on how private fundraising is trending throughout the year

How we have funded adjustments to Grade Scale, in addition to rise in other non-personnel costs over last two years

Renewed contracts: several contracts renewed at lower rates over last 2 years (Enterprise lease, waste services, Head Start cleaning, etc.)

Restructured teams - eliminating or combining positions (Head Start and Administration)

Efficiencies & Reduced Waste - as a result of bulk supply ordering through Amazon, paper reduction (due to e-systems/COVID)

Compensation Policy 2022

With the help of Delark HR Solutions, ready to implement a merit-based compensation model that incentivizes high performance

Merit to be funded by (1) elimination of title and longevity bumps and (2) Head Start and CSBG COLA (not included in budget above)

Policy to be written will not speak to specific #s, will be more philosophical "The agency will reward merit on an annual basis, based on performance appraisals and contingent on funding"

Future Opportunities / Threats

- Fundraising - new leadership could lead to development of new private grants, partnerships

- Proceeds from sale of warehouse building (49 Main Street Hudson Falls); based on the cost-benefit analysis of our Fee-for-service program

- Impact of "Great Resignation" - both on programming and retention and recruitment, particularly within an agency with limited flexibility to raise wages and with an already high burnout rate (human services)

- Funding the new cost of doing business absent any one-time funding (CARES, ARP)

- Operating Reserves limited (\$160k across two short-term CDs with GFNB + approximately \$12k in net fundraising from FYE 3/31/2021)

Sort1 Description

Reforecast - Head Start Year 2 Grant 4/1/2021 - 3/31/2022

Sum of Yearly Budget

Total Description	Budget	Forecast	Variance \$	Revised Budget *	Variance from original budget
A. Personnel	\$ 2,911,267	\$ 2,742,338	\$ (168,929)	\$ 2,742,338	-3.7%
B. Fringe Benefits	\$ 973,208	\$ 786,459	\$ (186,749)	\$ 1,071,928	2.1%
D. Equipment	\$ 76,279	\$ 81,164	\$ 4,885	\$ 146,164	1.5%
E. Supplies	\$ 110,595	\$ 64,888	\$ (45,707)	\$ 64,888	-1.0%
F. Contractual	\$ 78,508	\$ 108,363	\$ 29,855	\$ 108,363	0.6%
H. Other	\$ 469,029	\$ 493,458	\$ 24,429	\$ 493,458	0.5%
Travel - Out-of-Region	\$ 8,559	\$ 305	\$ (8,254)	\$ 305	-0.2%
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Grand Total	\$ 4,627,444	\$ 4,276,975	\$ (350,469)	\$ 4,627,444	
			\$	(0)	

*** Apply under-spending in two ways**

- (1) Purchase of a bus (\$65k) - since this is a capital asset, it is required that we submit a 'Revised Budget' application to OHS. This application was approved at the Policy Council meeting on 2/15. I will be asking the BOD for approval at the 3/7 meeting.
- (2) Any remaining under-spend at 3/31 (after a complete reconciliation is completed) to be applied towards additional contributions into the agency Defined Benefit Pension Plan (estimated \$285k).

Note: revised spending that is within +/- 10% of budget, for spending that does not involve a cost that requires prior approval, does not need to be approved by OHS.