

Capital District Youth Center, Inc.

Board Meeting

Wednesday, March 20, 2019

9:00am

1 Park Place, Suite 102

Albany, NY 12205

Members Present: Scott Bendett, William Connors, Laura Bauer, Steven Bayle, Lucille McKnight, Samantha Miller- Herrera, Barbara Mauro, Kristin Swinton, Craig Warner

Present via GotoMeeting:

Others Present: Kevin Cannizzaro, (Albany County Legislature Majority Counsel), Kurtis Kennedy (Albany County Legislature) Michael McLaughlin, (Albany County Executive's Office), Richard Riccio, (Berkshire Farms) Robert Ryan (Harris Beach)

Members / Others Absent:

Staff: Mark Castiglione, Amy Weinstock.

Presiding: Lucille McKnight, President, called the meeting to order at 9:00 am.

1. Welcome & Introductions

President McKnight welcomed everyone to the meeting.

2. January 16, 2019 Meeting Minutes

The minutes were distributed before the meeting. One change noted – Barbara Mauro was listed as present but was there via GoToMeeting.

Actions Taken

Laura Bauer made a motion to approve the meeting minutes with the correction, and Samantha Miller Herrera seconded. The motion was approved unanimously.

3. 2018 SD and SSD Financial Statements

There were adjustments made to the 2018 budget to reflect amendments made from the SD to SSD books. Operations expenses changed in October 2018, due in part to the camera installation project and payments.

After a challenging year cash flow wise and three per diem rates, the SD facility finished 2018 with a "surplus" however at the time of this memo, several adjustments are being made which will impact the final total. This refund total should align with the reconciliation statement which is also being finalized. We continue to work with the auditors as part of the 2018 audit of our financial records. A final audited financial statement will be prepared and presented to the Board at either the May or July 2019 Board meeting.

Also included is the 2018 Berkshire Farm Statement of Revenue and Expense. For 2018, the total SD program revenue to Berkshire Farm was \$2,177,550 while expenses totaled \$2,270,367 for a deficit of \$92,817. In normal years, there would not be a surplus in CDYCI and an amount owed to Berkshire. The adjustments made to the SD budget in December to shift RTA costs to the SSD budget were not reflected in the allocation formula we use to determine how much of the per diem is owed to Berkshire.

Action Taken

Barbara Mauro made a motion to approve the 2018 SD and SSD financial statements and Samantha Miller-Herrera seconded. The motion was approved unanimously.

4. Financial Statements through February 28, 2019

The cost share of the SD – SSD adjustments made helped maximized the 100% reimbursable expenses incurred on the SD side

The Year to Date Revenues reflect the billings to the counties for services provided through the first 45-days of the year. OCFS has issued us a semi quarterly rate bases on actual use and operating budget. The rate is \$492.50. TThe Operations Services expense line item represents Berkshire Farm’s statement of actual expenses of \$346,132 (net of the meal subsidy) through February 2019. Operations (Bed) Revenues total \$271,368 reflecting revenue from the first 45 days of the quarter. The total deficit for 2019 SD operation is \$79,392.. The income statements were manually adjusted to correct discrepancies.

The financial statement reflects expenses through February. Year to date revenue reflect the billings to the counties for 45-days of the year. The OCFS issued rate is \$4,067.74. Operations Services expense line item represents Berkshire Farm’s statement of actual expenses of \$202,370 (net of the meal subsidy) through February 2019. Operations (Bed) Revenues total \$268,470.84 reflecting the revenue from the first 45 days of the quarter. The total surplus for 2019 SSD operation is \$61,589. The income statements were manually adjusted to correct discrepancies.

The profit and Loss Budget VS Actual for January – February 2019 attached.

	Jan 19	Feb 19	Jan - Feb 19	Budget	\$ Over Budget	% of Budget
Income						
R4400 · Revenue County Lease						
R4402 · Revenue - Other Counties	0	271,368	271,368			
Total R4400 · Revenue County Lease	0	271,368	271,368			
R4600 · Interest Income	46	0	46	76	(30)	61%
Total Income	46	271,368	271,414	2,157,900	(1,886,487)	13%
Expense						
E5300 · Bank Service Charges	88	0	88			
E5700 · Accounting Fees	0	0	0	6,105	(6,105)	0%
E5800 · Legal Fees	3,780	0	3,780	10,175	(6,395)	37%
E5850 · Repairs & Maintenance	0	0	0	10,175	(10,175)	0%
E5900 · Administrative Services	0	0	0	51,894	(51,894)	0%
E5925 · Operations Expense	181,455	164,677	346,132	2,076,702	(1,730,570)	17%
E5950 · Insurance Expense	806	0	806	1,399	(593)	58%
E6000 · Miscellaneous Expense	0	0	0	1,526	(1,526)	0%
E6400 · Interest Expense	0	0	0			
Total Expense	186,128	164,677	350,805	2,157,976	(1,807,171)	16%
Net Income	(186,082)	106,691	(79,392)	(76)	(79,316)	104,463%

TOTAL

Action Taken

Barbara Mauro made a motion to approve the financial statements through February 28, 2019 and Craig Warner seconded. The motion was approved unanimously.

5. Draft 2017-2018 Reconciliation

With the projected cashflow issues projected in 2018, the board decided to delay the 2017 SD refund back to the counties. This year's SD reconciliation is a combined 2017 and 2018 reconciliation. It is presented here as a draft as ongoing adjustments are being made to reflect final secure detention costs for 2018. There is no 2018 SSD reconciliation as we have only billed counties for their proportionate share.

2017

With Operations revenue of \$2,893,846.43 including the Unused Bed Days from Oneida County (\$66,320.13), plus the meal subsidy income of \$24,426 and interest revenue of \$364.25, the total revenue from all sources equaled \$2,918,636.68. With total expenditures equaling \$2,455,876.44, 2017 ended with a surplus of \$462,760.24. This differs from the total identified in March 2018 as it now shows \$29,453.95 in Reserve Fund revenue. Since this is a balance sheet item and the Reserve Fund was new in 2017, it was missed in the original reconciliation calculation.

In surplus years, the county refund formula does not include the non member surcharges (\$8,310) and interest income (\$364.25) but does include the unused bed revenue. With no change in policy, the amount refunded to the counties would equal \$454,085.99 (\$462,760.24 less \$8,310 and \$364.25).

2018

With Operations revenue of \$2,481,181 including the Unused Bed Days from Oneida County (\$89,550.91), plus the meal subsidy income of \$14,092 and interest revenue of \$662.82, the total revenue from all sources equaled \$2,481,181.56. With total expenditures equaling

\$2,363,064.13, 2018 ended with a surplus of \$132,872.25.

In surplus years, the county refund formula does not include the non-member surcharges (\$6,000) and interest income (\$662.82) but does include the unused bed revenue. With no change in policy, the amount refunded to the counties would equal \$126,209.43 (\$132,872.25 less \$6,000 and \$662.82). This amount is likely to go down with the final adjustments to the 2018 expenses.

The total draft refund for both years is \$580,295.42. Refunds are calculated based on proportionate share of actual use. The draft refund amounts are included in the table below. 51% of the is owed to the state with the exception of the proportionate share of cost allocated to RTA youth housed in the SD facility between October and December 2018. The column '100% due to county' reflects the portion of the total refund entirely due to the county.

County	2017 Refund	2018 Refund	Total Refund	100% due to county
Albany	\$ 168,095.82	\$ 42,237.06	\$ 210,332.88	\$ 3,147.25
Rensselaer	58,601.30	8,392.68	66,993.98	501.74
Saratoga	7,016.35	1,049.08	8,065.43	-
Schenectady	112,953.27	38,405.62	151,358.89	-

There are \$14,000 in legal fees not eligible for reimbursement since the rate changes implemented by OCFS.

The final reconciliation numbers are not available yet. The auditors will be at the May meeting to discuss their 2018 audit findings and will seek approval from the Board at that time.

Action Taken

Steve Bayle motioned to approve the reconciliation strategy, as well as netting out the ineligible legal expenses. Craig Warner seconded. The motion passed unanimously.

6. 2019 Billings and Rates Memo

2018 Rates

CDYCI can no longer set its per diem rate and OCFS will set it on our behalf. Based on our reported actual costs, OCFS has provided \$856.20 as the 2018 SD rate and 2093.39 as the 2018 SSD rate. Since we were informed of this change on 12/21, we billed counties for November SSD usage. We have refunded those amounts, but we continued to bill the SD rate set by CDYCI through the end of 2018 as we have a pending reconciliation for 2017 and 2018 already.

2018 SSD Rate

Given the administrative percentage restriction, we are unable to generate enough revenue to cover actual and eligible SSD costs via the per diem rate charged. Therefore, the difference must be charged to the CDYCI counties based on the agreed to proportionate share. This amount is

accounted for in the new CDYCI cost tab you were given by OCFS. quarter. Billing will also be done in 45 day increments, with the rates and calculations again set by OCFS.

Rate Calculation Details

Rate Component	Value	
Total Administration Cost : (A1)	\$147,149.14	
Sum of Direct Care, Medical & Property Cost : (A8)	\$211,683.86	\$358,833 (Total Eligible Care Costs)
Administration Percentage : (B1)	21.00%	
[A8 / (100 - B1) %] - A8 : (B2)	\$56,270.39	
Lesser value of A1 & B2 : (B3)	\$56,270.39	
Sum of A7-A1+B3 : (C1)	\$267,954.25	Total Costs Eligible for Per Diem
Total Caredays : (C2)	128	
Detention Program Rate : (C1/C2)	\$2,093.39	\$267,953.92 (Total Care Revenue via Per Diem)
Total Care Cost-Per Diem Revenue		(\$90,879.08)

2019 Rates

Initially we were told that CDYCI would be able to bill counties after being issued rates by OCFS bases on our reported quarterly actual expenses. OCFS has, however, issued a semi-quarterly rate based on the actual use of the facilities through 45 days and the projected cost of care as a function of budgeted expenses. The calculation and rates are in the table below.

	SSD			SD		
Reported Days:		66			551	
Projected Quarter Days:		132			1,102	
Projected CDYCI Costs and Rates for CY 2019						
	SSD			SD		
	Original			Original		
	Annual	Quarterly	45 Days	Annual	Quarterly	45 Days
Budgeted Cost:	\$ 2,147,768.99	\$ 536,942.25		\$ 2,170,923.01	\$ 542,730.75	
Care Days:	1,630	132	66	2,646	1,102	551
Rates:	\$ 1,317.65	\$ 4,067.74		\$ 820.45	\$ 492.50	

CDYCI will issue bills reflecting this rate. The 2019 financials presented assume this revenue.

Ineligible Legislative Work:

Upon review of 2018 legal costs by OCFS, \$14,608.00 was determined to be ineligible for reimbursement as it was related to our Counsel’s work on legislative matters. These are amounts owed by the counties to CDYCI but are not reimbursable. CDYCI will bill the counties their proportionate share.

The costs were reduced from the reported costs as follows.

SD: \$6,086.00 , SSD: \$8,522.00 for a total of **\$14,608.00**

2020 Rates

In 2020, CDYCI will have no costs in the SSOP system. There will be no rates set. Instead, one or more Counties will have to front the costs (up to the Board and County to decide) and OCFS will reimburse them. They will bill each county the 51% of the costs directly, and CDCYI’s roll changes.

Action Taken

Two actions need to be taken: 1. Accept the 2018 rate of \$2, 093 for SSD set by OCFS, and 2019 \$492.50 SD and \$4,067.74 SSD rates as set by OCFS, and 2. Approve the billing strategy reconciling annually with the 4 Counties in 2019 on an annual basis instead of quarterly to reflect fluctuations on billing rates. The 45 day billing will still occur.

Kristin Swinton motioned to approve 2019 rates provided by OCFS and Barbara Mauro seconded. The motion passed unanimously.

Steve Bayle motioned to approve the reconciliation frequency to once a year, taking over and underpayments throughout the year into account and Scott Bendett seconded. The motion passed unanimously.

7. Facility Certification

The initial conditional SSD certification for the facility included the 8-bed wing and three bed pod for a total of 11 beds. To increase operational flexibility and SSD capacity, I filed paperwork to have all beds in the facility conditionally certified as SSD. We received recertifications from SCOC and OCFS. In addition, we have been coordinating with the Albany County Sheriff’s office on this change.

Logistically, flipping the 8-bed and 13-bed wings needs thought as expense tracking is allocated based on a variety of factors including square footage. While the 13-bed pod is certified for SSD, it would likely operate as a 12-bed unit to stay within the 1-6 supervisory ratio.

There have been youth sentenced to longer periods of time at the facility. The flexibility is needed to take those sentences into account. A walk-through inspection has been completed and no problems found.

8. Facility Usage: January – February 2019.

	SD	SSD	SD
<u>Month</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
January	SD 75.6%	SSD 12.9%	SD 46%
February	SD 61%	SSD 48.1%	SD 64.5%
Year to Date:	68.7%	29.6%	54.8%

9. Facility Operations / Agency Report (Berkshire)

We have been approved for 24 beds if needed for fluctuation. Also, there are still some youth staying in the facility due to the Westchester facility fire. There was a question on the kids from those Counties will be billed because they may be discharged on “good time”, which changes their sentences. Also, there is a continuation of increasing staff. There are 6 openings for counsellors. There is a full time mental health specialist, and a full time psychiatrist on board now as well. There is a lead on a full time male RN and female LPN.

OCFS is still coming bi-weekly and have had positive reports. The Department of Corrections comes monthly and helps put in writing policy and procedure manuals which would be beneficial to the facility. Recently there was a group from the State Education Department and OCFS to bring awareness to the school districts about the need for IEPs and other counsellors to try to prevent their students from becoming youth in the facility.

10. Capital Project Updates

There was a call with the Dormitory Authority and they are still working with OCFS to get more funding options to continue with work.

11. Other Business

Saratoga County has signed the MOU / Letter of Intent.

12. Adjournment

Lucille McKnight made a motion to adjourn the meeting and Barbara Mauro seconded. The motion was approved unanimously.

Respectfully submitted,

Amy Weinstock
Office Manager

Reviewed and approved by

Steve Bayle
Secretary