

Capital District Youth Center, Inc.

Board Meeting

Wednesday, January 15, 2020

9:00am

1 Park Place, Suite 102

Albany, NY 12205

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

Present via GotoMeeting: Kevin Cannizzaro, (Albany County Legislature Majority Counsel)

Others Present: Richard Riccio, (Berkshire Farms) Robert Ryan (Harris Beach),

Members / Others Absent: Laura Bauer

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. December 18, 2019 Meeting Minutes

The minutes were distributed before the meeting.

Actions Taken

Kristin Swinton made a motion to approve the meeting minutes and Scott Bendett seconded. The motion was approved unanimously.

3. Financial Statement through December 31, 2019

Attached are the financial statements through December for the Secure Detention and Specialized Secure Detention facilities. Revenues are based on eligible actual care costs as approved by OCFS. The revenue lines currently only reflect amounts due to CDYCI for care costs.

All secure detention costs for vendors are paid from SD accounts. Money from the SSD accounts is transfer to the SD accounts to cover the cost split.

Our Financial Officer has completed the consolidation of SD and SSD files into one company and the statements enclosed are generated from this new file. This consolidation will ensure we're able to track everything independently while eliminating the potential

Final 2019 Statements Still Pending

These are not the final statements for 2019 as the year to date revenues only reflect the billings to the counties for services provided through third quarter. We will not be able to enter receivables for Q4 until OCFS issues us rates. Deficits are a function of quarterly billing and the combined administrative costs of Berkshire and CDYCI have exceeded the cap for admin costs. These admin overages were, however, included in RTA plan care costs approved for 2018 so it's likely that will be the case for 2019. There will be a reconciliation with the state at the close of 2020 during which some of this underpayment may be addressed. This is the final quarter for which CDYCI will direct bill referring counties.

2017-2018 Refund to Counties

The 2017-2018 refund due to the counties of \$821,872.82 is still on our books. We have finalized the 2018 Audit with a final receivable adjustment described in the audit memo. This adjustment also requires a recalculation of the refund apportionment.

Secure Detention (SD)

Berkshire Farm's estimated actual expenses through December 2019 is \$2,036,103.00. This includes estimated expenses for December. Operations Revenues total \$1,538,699.03 reflecting revenue from quarterly billing to the counties. Estimated expenses through September total \$2,108,023.25 bringing the total deficit to \$568,953.60. Actual SD expenses through November from Berkshire Farm are also attached. Accounts receivable on the Balance Sheet total \$649,064.44 reflecting amounts billed in Q4 2018 and Q1 – Q3 in 2019.

Specialized Secure Detention (SSD)

Berkshire Farm's estimated expenses through December 2019 is \$1,397,876.67. Operations Revenues total \$1,069,729.26 reflecting revenue from quarterly billing to the counties. Estimated expenses through December total \$ 1,506,962.01 bringing the deficit to \$437,232.75. Actual SSD expenses through November from Berkshire Farm are also attached. Accounts receivable total \$562,639.14 reflecting amounts billed in Q4 2018 and Q1-Q3 in 2019.

OCFS will reconcile with CDYCI when everything is booked for 2019 and can make adjustments as necessary. Some of the overages on the administrative / legal costs may not be reimbursable.

Actions Taken

Craig Warner made a motion to approve the financial statement through December 31st and Kristin Swinton seconded it. The motion was approved unanimously.

4. Quarter 4 2018 SD Rate Adjustment Memo

The final CDYCI-set rate for 2018 Secure Detention was \$978.43 for participating counties and \$988.43 for referring counties. This was the third rate set during that year and the amount was intended to close the budget deficit that resulted from low use that year. We charged these rates in quarter 4 2018 allowing us to book the receivables and proceed with the reconciliation refund.

OCFS would only consider the rate it established at the end of February 2019 of \$856.20 for quarter 4 2018 for the purposes of county reimbursement. OCFS would not consider adjusting the reimbursable amount to align with the amount billed rather they instructed CDYCI to refund counties the difference. There was no discussion with us about the potential resolution to this matter.

CDYCI has issued the refund checks, adjusted the receivables in the audited 2018 financial statement and must now recalculate the reconciliation to counties which will further delay those payments.

The letter from OCFS is attached for your review at the end of the minutes, and refund checks are being processed.

5. Bedroom Replacement Cost Adjustment:

At the October meeting, the board authorized funds from our capital reserve account to be used to fund the balance of the bedroom furniture procurement. The cost of installation was more than anticipated so an additional \$4000 must be transferred to DASNY for the project.

The total project budget for replacing the bedroom furniture was \$80,000, of which \$41,918 remained left over from the common area furniture purchase and in our account at DASNY. The remaining \$38,082 was provided by CDYCI to initiate the procurement and now an additional \$4000 must be wired.

Since the board action related to funding the balance of the bedroom furniture procurement, I do not believe additional board action is required. The revised project agreement is attached for your information.

President Lucy McKnight signed the new additional payment as needed.

6. Capital Projects Update

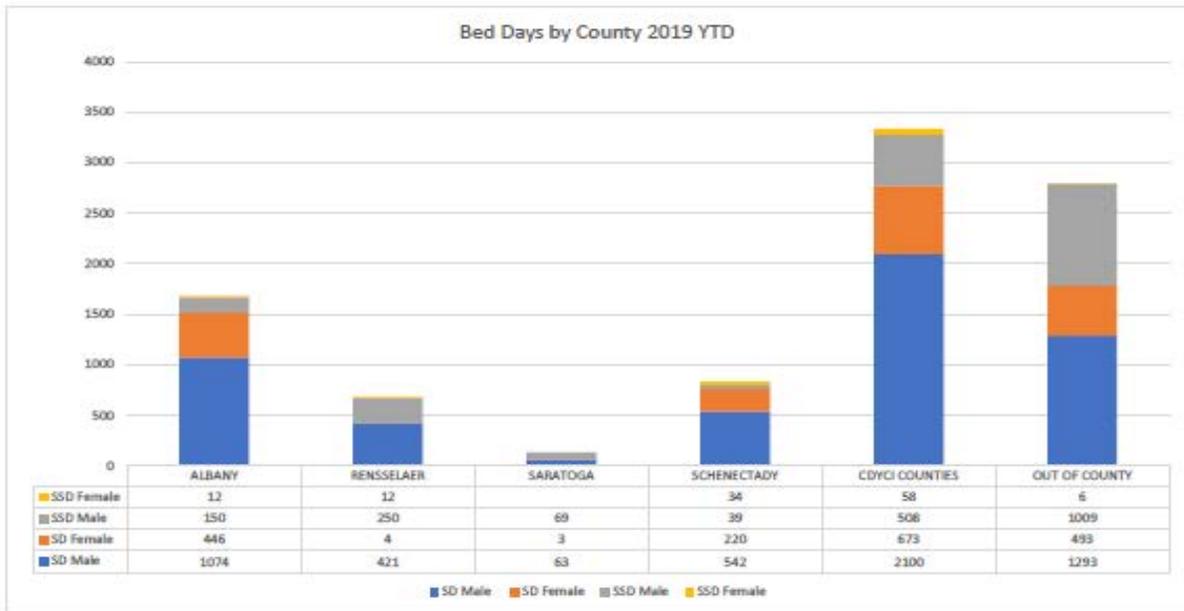
SMRT has entered the design phase of the project. There's a scheduled meeting to kick off this phase with the stakeholders. DA has not provided financing information yet on how the funds will be provided, and they are potentially looking for other investors and funding possibilities before making a decision. There's an OCFS meeting next week to

discuss progress. Costs of the designing cannot be rolled into the financing; therefore the Counties may need to front the money to start the design phase.

All 4 Counties provided their approval to execute the contracts for 2020.

7. Facility Usage: Through December 2019

As tracking youth against the estimated utilization we used to set our per diem rate is now irrelevant, (since we do not set our rate and are provided one based on actual costs) I have updated the presentation of facility usage. The new format shows use by county in SD male, SD female, SSD male and SSD female. Charts for 2019 YTD is attached.



There was a question on whether certain Counties made up the bulk of Out of County youth in the facility. The answer is no, they are all equally represented. A complete analysis of the daily population is being ran because after 2019 the facility has been running at capacity, especially since the RTA program began.

There was a discussion on the number of youths that will be turning 18 during their time at the facility. It was believed that they would be staying in the facility to finish their sentences, but now they were told that these youths must be moved after the next court

date after their 18th birthdays. The facility will have to discuss how to handle the relocating of these youth.

There are many “low risk” juveniles in the facility, which removes bedding options for the more “higher risk” juveniles that may be sentenced. There was a discussion on what would happen if there was a multiple arrest situation, and whether there would be enough beds.

With the SMRT project being delayed and just entering the design concept phase, there is more time to discuss further potential options on how the project can be done with the best possible outcome.

Westchester County may soon have more beds opening up once their project is completed, as may other Counties as their bedding situations change.

8. 2018 Audit Acceptance

Enclosed for your review and approval is the final adjusted FY-2018 Draft Audit Report prepared by the accounting firm Bonadio & Co. LLP. A representative from the firm presented the draft audit at our July board meeting. At that time, the board approved the 2018 Audited financial statements but acceptance of the final audit was pending resolution to the accounting methodology related to the furniture.

As you may recall, we considered the purchase of the common area furniture as a purchase on behalf of Albany County and therefor a CDYCI expense. Allowing us to expense the furniture rather than treating it as an asset that would have to be capitalized and depreciated allowed those costs to be 100% reimbursable in year one. OCFS allowed us to expense the furniture.

In addition, the financial statements were also adjusted as a result of the Q4 2018 SD refund mandated by OCFS.

Board action is requested to accept the 2018 audit.

Actions Taken

Steve Bayle made a motion to approve the 2018 audit and Barbara Mauro seconded it. The motion was approved unanimously.

9. Facility Operation / Agency Report

The numbers for the last month have been consistent with the trend over the last few months. Currently there are 18 youths in the facility.

The Furniture Project is progressing, and there is a meeting with contractors this week to discuss the installation. The project is expected to start next week and last 5 days..

Staff recruitment is still going on. There's a Berkshire Farms Facility in Albany that is closing, and some of the staff from that office may join this facility.

IT improvements are needed at the facility. WIFI needs improvement, as does other technology throughout the building. There was a discussion that perhaps these improvements should be done before any major building projects start, however funding may have to be requested to the Counties in advance of the IT improvements occurring.

10. Other Business

Mark Castiglione thanked Lucy McKnight for her 20 years of service both on the CDYCI board and with her assistance in the creation of the Youth Facility Program. She has been a tremendous asset to the Company.

11. Adjournment

Barbara Mauro made a motion to adjourn the meeting and Craig Warner seconded it. The motion was approved unanimously. The meeting adjourned at 9:37.

Respectfully submitted,

Amy Weinstock
Office Manager

Reviewed and approved by

Steve Bayle
Secretary