

## Executive Committee Minutes

June 28, 2023

The Executive Committee met Wednesday, June 28, 2023 at the Bluegrass Area Development District offices. Treasurer Mike Sanford called the meeting to order at 4:00 p.m. The following members were present:

<b>Anderson County</b>	<b>Bourbon County</b>	<b>Boyle County</b>
	Judge Mike Williams	Judge Trille Bottom
<b>Clark County</b>	<b>Estill County</b>	<b>Fayette County</b>
Mayor JoEllen Reed	Judge Donnie Watson	Chris Ford
<b>Franklin County</b>	<b>Garrard County</b>	<b>Harrison County</b>
		Mayor James Smith
<b>Jessamine County</b>	<b>Lincoln County</b>	<b>Madison County</b>
	Judge Woods Adams	
<b>Mercer County</b>	<b>Nicholas County</b>	<b>Powell County</b>
Mike Sanford	Judge Steve Hamilton	James Caudill
<b>Scott County</b>	<b>Woodford County</b>	
Jared Hollon		

Others present were:

Staff		Guests
Joe Black	Shane New	Diana Caudill
Michael Buschmann	Mike Riley	John Gay
David Duttlinger	Celeste Robinson	
Logan Hart	Kelly Rode	
Karyn Leverenz	Mary Schmidt	

A quorum was declared present.

### Minutes

Secretary Judge Steve Hamilton directed the Board to pages 1-4 of the packet for the May 24, 2023 Executive Committee Meeting minutes. Judge Hamilton asked for approval of the minutes. A motion was made by Mike Sanford and seconded by Judge Donnie Watson to approve the May 24, 2023 Executive Committee Meeting Minutes. The motion carried.

### Financial Report

Treasurer Mike Sanford called on Michael Buschmann, CFO, to give the Financial Report. Michael Buschmann directed the Executive Committee to the Financial Report that was available at the sign in table. For the month of May 2023 our current year revenue exceeded expenses giving us a current year fund surplus of \$452,000. This

fund balance is seen on the Statement of Financial Position, as well as on the year-to-date statement of activities, where it is called “Change in Net Assets”. This surplus is mainly due to outstanding balances in the Workforce Program and the Aging Program that have been paid, as well as several large invoices in Community Planning.

The Statement of Activities shows our revenue exceeding expenses for the month of May by \$1,500,000. During the same time period individual programs have Net Income as follows:

Program	Net Income
Aging	\$1,000,000
Community Planning	\$109,000
Workforce	\$370,000
Other	(\$12,000)

Michael noted that the year-to-date balance on the “Other” Income Statement shows a negative balance of \$232,000. That number still represents overages from September 2022 from the Workforce Program. We are still waiting on final notification from the State to move that back to Workforce. When that happens, it will net to zero, because Workforce is a pure pass-through program.

A motion was made to accept the May 2023 Financial Statements by Mayor JoEllen Reed. The motion was seconded by James Caudill. The motion carried.

#### **Report on Investment**

Michael Buschmann gave the Report on Investments. The beginning balance was \$701,694.85 and interest earned by \$1,797.68. Rent paid by the tenant was \$7,471.90. The investment balance at the end of May 2023 was \$710,964.43. James Caudill made a motion to approve the May 2023 Report on Investments. The motion was seconded by Mayor James Smith. The motion carried.

#### **Review of Credit Card Statements**

Treasurer Mike Sanford indicated that credit card statements were emailed to the group and asked for questions regarding the statements. There being none, a motion was made by Judge Williams to approve the April Credit Card Statements. The motion was seconded by Mayor James Smith. The motion passed unanimously.

#### **Fiscal Year 2023 Amended Budget**

Michael Buschmann reviewed the FY23 Amended Budget. He noted that for the FY22 Budget revenue expenses by \$592,413. This was mainly due to Appendix K revenue. For FY23, we originally forecasted revenue exceeding expenses by \$98,509. At the time the budget was completed, we were unaware of additional income. With that additional income considered, we are now forecasting FY23 to end with revenue exceeding expenses by \$273,877.

- Community Planning
  - Projections were very close, there is less than a 1% difference for the Fiscal Year. The revenue will also carry into the Fiscal Year 2024.
- Aging
  - Revenue is estimated to increase by 62%. This is largely due to the ADD being award over \$1.5 million for the Enhanced Senior Meal Program.
- Workforce
  - Expenses are expected to decrease by 32%. This is due the accelerated spending and utilization of funds for the first two quarters of FY23. We have increased the accuracy of the carryover of state allocations and budgeted appropriately to reduce this carryover due to the overages and budget issue in September 2022.

Judge Mike Williams made a motion to approve the Fiscal Year 2023 Amended Budget. The motion was seconded by James Caudill. The motion passed unanimously.

## **Fiscal Year 2024 Budget**

Michael Buschmann presented the FY24 Proposed Budget. For Fiscal Year 2024, we are budgeting a surplus of \$252,299. This is mostly a reflection of the increase of revenue in the PDS Program, as well as revenue that is typically provided by local contributions and typical rent income. Health insurance rates will increase by 9%, dental insurance rates will increase by 4%. Vision insurance will remain the same. Michael Buschmann noted that health insurance initially indicated a 60% increase and thanked Mike Riley for negotiating the rate down to 9%. The pension rate will decrease to 23.34%. This budget does include a cost-of-living adjustment of 3% for all employees.

FY24 Proposed Budget			
	FY 24 Budget Revenue	FY 24 Budget Expenses	Total Net Revenue(Expense)
Aging	\$10,386,060	\$10,378,703	\$7,357
Aging – CDO	\$25,427,212	\$25,343,536	\$83,676
Community Planning	\$1,616,208	\$1,616,858	(\$650)
Workforce	\$2,887,141	\$2,887,141	-
Other	\$527,916	\$366,000	\$161,916
		<b>Total</b>	<b>\$252,299</b>

Judge Mike Williams asked for clarification on budgeted salaries in Community Planning, as it appears to be a 77% increase from the previous year. Michael indicated that there will be additional staff hired as well as a pay increase for key staff.

Judge Mike Williams made a motion to approve the FY24 Budget. The motion was seconded by Mayor James Smith. The motion passed unanimously.

## **Reports of Committees/Councils**

### **Natural Resources & Environmental Protection Advisory Council**

Karyn Leverenz presented The Natural Resources & Environmental Protection Advisory Council report. She indicated that the council met on May 17, 2023. There was not a speaker due to a last-minute cancellation. The group approved 23 KIRPs. The next meeting will be a joint meeting with the Area Water Management Council on July 26, 2023.

### **Regional Planning Council**

Joe Black presented the Regional Planning Council report. He indicated that the council met on May 28, 2023. Eric Cockley, Planning and Community Development Director for the City of Frankfort was the speaker at the meeting. He presented short term rentals and discussed their potential impact. The next meeting will take place on July 25, 2023.

David Duttlinger complimented Joe Black on his work and expressed his gratitude for all he does.

## **District Staff Report**

Treasurer Mike Sanford called on David Duttlinger to review the District Staff Report.

### **Aging Department Report**

David Duttlinger called on Celeste Robinson to give the Aging Department Report. She indicated that you could find the full report on pages 11-16 in the packet. She highlighted the pilot telehealth program and indicated that the first participant has signed up for that program. FY24 provider contracts have been signed. Celeste also reported that the Aging Department was recently trained and is officially a Dementia Friendly Business.

### **Community Planning Department Report**

David Duttlinger called on Shane New to give the Community Planning Department Report. Shane reported that reapportionment is in full swing. He and James Whisenhunt are leading the local meetings with committees appointed by the Fiscal Courts. He also indicated that Austin Bates and Casey Greer are leading the heavy lifting behind the scenes to complete the reapportionment work. We have seen success in both Land and Water Conservation Fund and Recreational Trails Program. We were awarded four of the six grants we applied for. He also indicated that Hazard Mitigation has been completed.

### **Workforce Department Report**

David Duttlinger called on Mike Riley to give the Workforce Department update. He indicated that his report can be found on pages 29-34 of the packet. We have continued to work with the VR equipment and there remains a high demand for the VR Program. Staff have continued to stay busy with job fairs, and employability workshops.

David Duttlinger presented an ADF Application to the committee for approval. The ADF Application is for the Anderson County Courthouse sidewalk repair. The total amount requested is \$6,742.50. Bob Casher is the staff point of contact. A motion was made by Mayor James Smith and seconded by James Caudill to approve the ADF application. The motion carried.

David Duttlinger indicated that conversations have been taking place between the ADD, the Cabinet for Health and Family Services, and the Education and Workforce Development Cabinet regarding the Bluegrass Area Development District regarding the completion of the Audit for FY22. David is happy to report that just moments ago he received word that the FY22 Audit has been completed by RFH. The Audit still needs to go the APA review process. David indicated that we do know that there will be findings in the report. We do know that there are no questioned costs, there are no noncompliance material to the financial statements, there are no material weaknesses identified for federal awards. We do believe that the findings will consist of material weakness in regard to internal controls.

### **KIRPs (Kentucky Intergovernmental Review Process)**

Treasurer Mike Sanford directed the Board to the KIRPs contained in the packet. KIRPs in the packets were:

- Kentucky Land Acquisition – KY Department of Fish & Wildlife Resources
- Runway 4-22 North EMAS – Lexington-Fayette Co Airport Board
- Richmond – South Point Force Main and Pump Station Improvements – Richmond Utilities
- Stuart Powell Field Airport Improvements, Airport Access Road – Stuart Powell Field Airport
- Boonville Transitional Housing Project – Fahe
- Millennium Park Performance Pavilion – City of Danville
- KY 2168 Trail Extension – City of Danville
- LFUCG – Armstrong Mill PS Replacement – LFUCG Division of Water Quality, Remedial Measures Plan
- Junction City Neighborhood Park – Boyle County Fiscal Court
- PMWD – Distribution Water Loss and Water Quality Improvements – Peaks Mill Water District
- Housing Preservation Grant – Community Action Council
- Frankfort Plant Board Water Storage Improvement Project – Frankfort Plant Board

Mike Sanford asked if there were any KIRPs to be discussed. There being none, a motion was made by James Caudill to accept the KIRPs as a group. The motion was seconded by Mayor JoEllen Reed. The motion carried.

### **Adjournment**

There being no further business, the committee asked for a motion to adjourn. Judge Donnie Watson made a motion to adjourn the meeting. The motion was seconded by James Caudill. The motion carried. The meeting was adjourned at 5:08 p.m.



These minutes and attachments having been approved by the Executive Committee of the Bluegrass Area Development District on July 26, 2023 are hereby made part of the permanent records of the district.

A handwritten signature in blue ink, reading 'Robert Blythe', written over a horizontal line.

Chair

Mayor Robert Blythe