

## Executive Committee Minutes

August 23, 2023

The Executive Committee met Wednesday, August 23, 2023 at the Bluegrass Area Development District. Chair Mayor Robert Blythe 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 Orbrey Gritton	Judge Mike Williams	
<b>Clark County</b>	<b>Estill County</b>	<b>Fayette County</b>
	Judge Donnie Watson	Chris Ford
<b>Franklin County</b>	<b>Garrard County</b>	<b>Harrison County</b>
Judge Michael Mueller	Judge Chris Elleman	Mayor James Smith
<b>Jessamine County</b>	<b>Lincoln County</b>	<b>Madison County</b>
	Judge Woods Adams	Mayor Robert Blythe
<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	Mayor Brian Traugott	

Others present were:

Staff	Guests
Michael Buschmann	Tiffanie Reeves
David Duttlinger	Mike Riley
Logan Hart	Celeste Robinson
Karyn Leverenz	Kelly Rode
Shane New	Alex Sergent
	Jon Gay

A quorum was declared present.

### Minutes

Secretary Judge Steve Hamilton directed the Board to pages 1-3 of the packet for the July 26, 2023 Executive Committee Meeting minutes and pages 4-6 for the July 26, 2023 Board of Directors meeting minutes. Judge Hamilton asked for approval of the minutes. A motion was made by Judge Mike Williams to approve the July 26, 2023 Executive Committee minutes and the July 26, 2023 Board of Directors minutes. The motion was seconded by Judge Orbrey Gritton with an addition thanks to Kelly Rode for communicating the minutes to the committee. 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 July 2023 our current year expenses exceeded revenue giving us a current year fund balance of (\$134,000). 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 negative balance is mainly due to timing within the programs.

The Statement of Activities shows our expenses exceeding revenue for the month of July by (\$134,000). We do expect this number to improve as this reflects the preliminary close of the books. During the same time period individual programs have Net Income as follows:

Program	Net Income
Aging	(\$8,000)
Community Planning	(\$102,000)
Workforce	(\$160,000)
Other	\$138,000

Judge Woods Adams referred to page 10 of the July Financial Statements and asked why the net revenues line shows \$56,920.16 when all of the addends are \$0. Michael Buschmann will look into the issue and correct the statements. David Duttlinger thanked Judge Adams for his level of engagement and support.

David Duttlinger talked about actions being taken regarding Journal Entries to correct findings on audit. He indicated that Mike Sanford and Michael Buschmann met prior to the meeting for an in-depth review of the journal entries. The Month-End Close Check List for July 2023 can be found attached to these minutes.

David Duttlinger also noted that staff is currently working with state legislators to advocate for a rate study for the PDS and Michelle P Waiver programs. This is a recognized need and Medicaid is working diligently to try to correct the issue. Emergency funds will cease at the end of November and the agency will need to figure out how to continue to provide this service. It was noted that there is currently a waiting list for the waiver programs.

Judge Orbrey Gritton made a motion to approve the July 2023 Financial Statements with corrections to be made to page 10, as pointed out by Judge Woods Adams. James Caudill seconded the motion. The motion passed unanimously.

### **Report on Investment**

Michael Buschmann gave the Report on Investments. The beginning balance was \$720,386.51 and interest earned was \$1,807.14. Rent paid by the tenant was \$7,471.90. The ending balance was \$729,665.55. A motion was made by Judge Orbrey Gritton to approve the July 2023 Report on Investment. The motion was seconded by James Caudill. The motion carried.

The committee has talked about the interest rate earned on this account before and it was discovered that the account is tied to a line of a credit. Judge Orbrey Gritton made a motion to explore the possibility of taking a portion of the money to put in a higher yield account. Mayor Robert Blythe seconded the motion. The motion carried.

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

Mayor Robert Blythe 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 Orbrey Gritton to approve the July Credit Card Statements. The motion was seconded by Judge Chris Elleman. The motion passed unanimously.

### **Reports of Committees/Councils**

#### **Area Agency on Aging and Independent Living Council**

Celeste Robinson presented the Area Agency on Aging and Independent Living Council report. She indicated that the council met on July 12, 2023. Amber Lakin and Susan Neville presented the Dementia Care Everywhere program. The next meeting will be held on September 13, 2023 at the Bluegrass Area Development District.

### **Area Water Management/Natural Resources & Environmental Protection Advisory Councils**

Karyn Leverenz indicated that the Area Water management and Natural Resources & Environmental Protection Advisory Councils held a joint meeting on July 26, 2023. Nick Grinstead of Kentucky Emergency Management and Amanda LeMaster with the Energy and Environmental Cabinet were speakers for the meeting.

### **Regional Transportation Council**

Alex Sergent presented the Regional Transportation Council report. He indicated that the council met on July 10, 2023. The status of work plan deliverables and new transportation grants were discussed. The council will meet again on September 11, 2023.

### **Audit Committee**

Secretary Mike Sanford presented the Audit Committee report. He indicated that the Audit Committee met on August 14, 2023. At the meeting Brad Hayes from RFH, PLLC gave an in-depth review of the FY22 Audit. He indicated that there was no mishandling of money or wrongdoing by staff. However, there were four materials weakness findings on the audit:

1. Audit Adjustments
2. Bank Reconciliation Preparation
3. Segregation of Duties
4. Grant Financial Monitoring

Staff have devised a plan to address these material weaknesses and have been corrected.

Mike Sanford also indicated that at the meeting RFH, PLLC reviewed communication previously sent to the members of the committee that they will not complete the FY23 Audit for the Bluegrass ADD. David Duttlinger indicated that there is currently an RFP out and the ADD is awaiting responses by the August 31, 2023 deadline set out in the request.

Judge Michael Mueller asked if RFH, PLLC was under contract to complete the FY23 Audit. David Duttlinger indicated that it was a letter of engagement and not a contract. It was not binding on either end. Given the late notice of RFH, PLLC, we are behind schedule to secure an Auditor to complete the FY23 Audit. He asked the committee if they had any contacts to please pass them along.

Judge Mike Williams asked what the Auditor of Public Accounts will do if we do not secure a firm to complete the FY23 Audit. David Duttlinger responded that we will be in uncharted territory and will have to look more into it.

### **District Staff Report**

Chair Mayor Robert Blythe called on David Duttlinger to review the District Staff Report. David indicated that the full report can be found on pages 21-49 of the packet. He highlighted the District's effort with committees and councils and encouraged the Board's involvement.

### **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 22-26 in the packet. She also indicated that Department of Aging and Independent Living has been awarded two additional grants: suicide prevention and vaccination. We are currently working to use these additional dollars. David Duttlinger noted that the Department for Aging and Independent Living did fund the agency at 100% for the 2023 Fiscal Year.

### **Community Planning Department Report**

Shane New gave the Community Planning Department Report. He indicated that the department is currently wrapping up Community Development Block Grants (CDBG) for the current cycle. He also

reviewed a cyber security grant that could possibly be an opportunity to replace old equipment. The deadline for that grant is September 15. Shane New also announced that long-time employee Chip Clark has left the ADD to pursue other opportunities.

#### **Workforce Department Report**

Mike Riley gave the Workforce Department updated. He spent time highlighting Workforce Staff and complimenting their efforts. He also brought the Committee's attention to the flyer on page 49 of the packet, which highlights efforts to grow a social media presence.

Judge Steve Hamilton made a motion to approve the District Staff Report. The motion was seconded by Mayor Brian Traugott. The motion passed unanimously.

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

Chair Mayor Robert Blythe directed the Board to the KIRPs contained in the packet. KIRPs in the packets were:

- Ferry Barge Dry Dock Restoration & Preservation – Valley View Ferry Authority
- Bourbon Manor WW Portfolio IV – Bourbon Manor Place LLC
- US 27 & KY 353 Water Main Replacement and Extension Project – Harrison County Water Association
- GCSD Phase II Paint Lick Sewer Project – Garrard County Sanitation District
- Main Street Improvements Project Phase 1 – City of Wilmore
- IMU Kelly Pump Station Force Main Replacement – City of Irvine
- ECWD/IMU Master Meter Relocation and River Crossing – City of Irvine
- Stuart Powell Field Airport Proposed Lighting Improvements – Stuart Powell Field Airport
- Bourbon County/Millersburg Farmers Bank Building Stabilization – Bourbon County Fiscal Court
- Home2 Suites by Hilton Solar PV Installation – Rainmaker Holdings III, LLC

Mayor Blythe asked if there were any KIRPs to be discussed. There being none, a motion was made by Judge Orbrey Gritton to accept the KIRPs as a group. The motion was seconded by James Caudill. 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 Mayor James Smith. The motion carried. The meeting was adjourned at 5:20 p.m.

Month-End Close Check List

July 2023

General Ledger Period = 1

Reference	Description	Prepared By	Date Entered	Posted By	Date Posted
<u>Standard Monthly Journal Entries</u>					
<u>GJE Batch#</u>					
27335	Record Interest Earned-Operating Accounts	PV	8/4/23	MHB	8/17/23
27310	Postage Allocation	PV	8/4/23	MHB	8/17/23
27311	Record Copier Usage	PV	8/4/23	MHB	8/17/23
	Reclass Prepaid Expenses (114)	N/A			
27304	Vehicle Mileage Ford 5	PV	8/3/23	MHB	8/17/23
27305	Vehicle Mileage Ford 6	PV	8/3/23	MHB	8/17/23
27336	Depreciation Expense	PV	8/4/23	MHB	8/17/23
4633	CDO Receipts	BJ	8/17/23	MHB	8/21/23
4634	CDO Disbursements	BJ	8/17/23	MHB	8/21/23
4635	CDO Month End	BJ	8/17/23	MHB	8/21/23
27331	CDO Import	MHB	8/21/23	MHB	8/21/23
27333	<u>LAST: Eliminate Intercompany Transfers</u>	N/A	Until Transfer vouchers entered		
<u>Import GJE Batch#</u>					
27318	BGADD Payroll 7-14-23 #27271 \$99098.68	BJ	8/17/23	MHB	8/17/23
27319	BGADD Payroll 7-28-23 #27297 \$189557.29	BJ	8/17/23	MHB	8/17/23
27326	Indirect Cost Allocation Cost Pool 1	MHB	8/17/23	MHB	8/17/23
27328	Indirect Cost Allocation Cost Pool 2	MHB	8/17/23	MHB	8/17/23
 <u>Reporting</u>					
Bluegrass CAT	Bluegrass CAT Invoices	CM	7/31/23		
Aging	Aging Transfer Voucher	PV	8/23/23		
Aging	Aging Subcontractor Invoices	PV	8/22/23		
Aging	Aging Receivable Invoice(s)	PV	8/22/23		
Aging	Aging Reporting/Draw Request	PV	8/21/23		
WIOA	WIOA Transfer Voucher				
WIOA	WIOA Receivable Invoice				
WIOA	WIOA Operating Draw Request				
WIOA	WIOA Subcontractor Voucher				
WIOA	WIOA Subcontractor Receivable Invoice				
WIOA	WIOA Subcontractor Draw Request				
WIOA	WIOA Works Reporting	CM	8/21/23		
WIOA	WIOA Board Reports				
BGADD	Monthly Board Reports	MHB	8/22/23		
BGADD	Monthly Financials for the website	MHB	8/22/23		

  
Executive Director

  
Treasurer



These minutes and attachments having been approved by the Executive Committee of the Bluegrass Area Development District on September 27, 2023 are hereby made part of the permanent records of the district.

A handwritten signature in black ink, appearing to read 'Robert Blythe', written over a horizontal line.

Chair  
Mayor Robert Blythe