



Central Vermont Regional Planning Commission

EXECUTIVE COMMITTEE

Wednesday, January 18, 2017

4:00 p.m. at CVRPC's Office

AGENDA

4:00 Adjustments to the Agenda

4:05 Public Comment

4:10 Financial Update (enclosed)

4:30 Line of Credit (enclosed)*

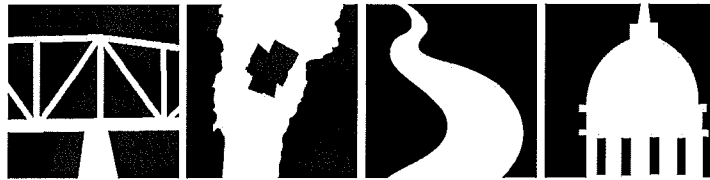
Decision on opening a 12-month, \$25,000 Line of Credit.

5:00 Anticipated Executive Session – 1 V.S.A §313(3), Personnel

6:00 Adjourn

*Denotes anticipated action item

NEXT MEETING: Monday, February 6, 2017 at 4:00 p.m. This meeting is anticipated to last until 6:30 p.m.



Central Vermont Regional Planning Commission

MEMO

Date: January 17, 2017

To: Executive Committee

From: Bonnie Waninger, Executive Director

Re: Finance Report

FY16 Audit.

CVRPC continues to work to complete its FY16 audit. Staff are completing final journal adjustments and the indirect cost proposal. A draft audit should be available within two weeks after these items are submitted. The audit should be ready for presentation to the Executive Committee at its March meeting. ACCD and VTrans were notified that CVRPC would be delayed in sending the audit, which was due by 12/31/16. ACCD will hold payments until the audit is received and approved by its staff.

Financial Position as of 12/31/16

CVRPC continues to experience the effect of an extended staff leave of absence and position vacancy. The leave resulted in:

- administrative expenses of \$29,000 associated with paid time off,
- lost revenues of \$38,938, and
- lower than anticipated recapture of administrative expenses (-\$27,760).

The administrative expenses (\$56,760 total) can be recaptured through a mid-year adjustment of CVRPC's indirect rate and through carry forward of unrecovered expenses next year. The organization will need to monitor cash flow until the recapture is complete. Lost revenues include \$30,700 in transportation funds, \$1,850 in emergency management funds, and \$6,389 in clean water funds.

Net income on the Profit and Loss statement is \$8,095.86. This does not reflect CVRPC's actual net income. As previously discussed, CVRPC has recorded contract advances as income when the funds are received. These funds are a deposit against future expenditures and should be accounted for as such. As of 12/31/16, CVRPC had \$38,718 in deposits. This places the actual net income closer to -\$30,623.

Looking Forward

The Northfield stormwater project is a product-based contract. When its final invoice is written in January, CVRPC anticipates a positive contract income of \$14,000. Combined with an adjustment to the indirect rate to increase administrative cost recovery, it is likely CVRPC can end the year on balance or with a slight net income.

CVRPC's challenge will be maintaining cash flow. January poses the greatest risk due to delayed billing. Transfers to/from CVRPC's reserve account can only be completed during a 10-day period each month. As a contingency, staff transferred \$10,000 from the account this week. Those funds can be returned to the account as cash flow improves.

The next risk periods for cash flow will be from late February through June. During that time, new staff will begin work. There is a 2-month delay between the first payroll for these staff and payment on the work completed. Also during that period, consultants will begin billing for work on product-based contracts. ANR's Finance Office stops paying bills from mid-May through June as part of its fiscal year closeout process.

Staff will continue to monitor cash flow and finances and keep the Committee updated on challenges and progress. Staff anticipates having a mid-year budget adjustment for review and approval at the Committee's February meeting.

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 Balance Sheet
 As of December 31, 2016

	<u>Dec 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Checking	44,735.73
1055 · CD People's United Bank	11,195.01
1070 · Peoples - CDBG Disaster Recover	0.42
Total Checking/Savings	<u>55,931.16</u>
Accounts Receivable	
1100 · Accounts Receivable	123,991.53
Total Accounts Receivable	<u>123,991.53</u>
Total Current Assets	179,922.69
Fixed Assets	
12250 · Accumulated	-34,057.00
1800 · Equipment	49,869.00
Total Fixed Assets	15,812.00
Other Assets	
1700 · Deposits	4,415.00
Total Other Assets	<u>4,415.00</u>
TOTAL ASSETS	<u><u>200,149.69</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · *Accounts Payable	-664.88
Total Accounts Payable	-664.88
Other Current Liabilities	
2040 · Accrued Wages & FICA	18,285.05
2100 · FED/FICA withholding	-300.38
2110 · State withholding	-7.82
2111 · Direct Deposit Liabilities	2,062.34
2140 · Accrued Vacation	19,090.10
Total Other Current Liabilities	<u>39,129.29</u>
Total Current Liabilities	<u>38,464.41</u>
Total Liabilities	38,464.41
Equity	
3100 · Fund Balance	354,952.91
3200 · Invested in cap	15,812.00
3900 · Retained Earnings	-217,175.49
Net Income	8,095.86
Total Equity	<u>161,685.28</u>
TOTAL LIABILITIES & EQUITY	<u><u>200,149.69</u></u>

July through December 2016

	<u>Jul - Dec 16</u>
Income	
4050 · DCA Core	127,995.02
4146 · MRVPD Admn	2,374.98
4185 · WBRD Admn	2,600.00
4202 · Town Dues FY 2017	71,537.40
4220 · ECO Northfield SW	8,490.00
4225 · ERP Northfld Village SW	61,500.00
4226 · East Montpelier Master Plan	10,519.41
4233 · LEPC SERC FY17	4,000.00
4401 · BCRC -Regional Energy Plan	5,000.00
4410 · Brownfields #2	7,050.87
4600 · Miscellaneous Income	3,520.74
4670 · HMGP MEGA	17,409.47
4670a · HMGP Mega Admin	300.38
4671 · EMPG CVRPC	6,959.60
4673 · Vigilant Guard (EMPG 14)	5,471.56
4684 · CDBG - Washington AM	6,235.35
4700 · Interest Income	4.67
4725 · Plainfield CDBG	749.00
4750 · GIS Project	698.00
4810 · Water Quality	11,936.13
4909 · Transportation	81,813.49
Total Income	<u>436,166.07</u>
Gross Profit	436,166.07
Expense	
5000 · Personnel	236,329.90
5001 · Staff Relocation Expense	3,000.00
6010 · Health Insurance	33,125.17
6011 · Life Disability Insurance	1,881.42
6012 · CVRPC FICA	17,755.93
6015 · Workmen's comp	3,089.00
6016 · MRVPD Insurance	2,141.79
6017 · Unemployment Comp	170.00
6018 · Pension Plan	7,281.48
6023 · Cleaning	910.00
6040 · Rent	20,529.48
6050 · Telephone	3,103.21
6060 · Postage	1,024.82
6070 · Dues/Pubs/Subs	3,367.77
6080 · Staff Education	60.00
6085a · ACCD - FY17	6,422.68
6086 · CCRPC DEC HMGP	11.88
6087 · Vigilant Guard (EMPG 14) Exp.	54.38
6088 · MEGA HMPG	352.56
6088a · Mega HMGP Admin	9.18
6089 · Barre Town man hole map	38.88
6090 · Staff Travel	83.16
6090.5 · Staff Travel - Admin	183.82
6092 · EMPG travel etc	332.25
6097 · LEPC direct expenses	240.05
6100 · Office Supplies	4,840.27
6115 · Copier Lease Payments	2,624.99
6116 · Copier extra copies	374.31
6120 · Commission Meetings	65.00
6140 · Liability Insurance	1,509.00
6160a · Meetings/Programs	249.00
6170 · Miscellaneous	60.00
6180 · NRPC PDM-C	21.71
6181 · NRPC Energy Training	46.03
6188-17 · Clean Water Act (CWA) 17 -	215.66
6188 · Clean Water	44.82
6190 · Northfield ECO SW	-853.29
6195 · Northfld Village SW ERP	48,126.46
6330 · GIS Eqpt/Software	3,600.00
6350 · GIS Supplies	573.46
6400 · Regional Plan	201.37
6450 · East Montpelier MPG	66.96
6521 · Reimbursement - BRBC Energy Pla	84.43

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Profit & Loss

July through December 2016

	<u>Jul - Dec 16</u>
6683 · CDBG- Washington AM	215.73
6825 · SafetyNet/server maintenance	2,978.00
6850 · CVRPC Audit	6,180.00
6855 · Legal Assistance	4,036.67
6860 · Government Relations	1,681.06
7000 · Transportation Direct	7,469.55
7000a · Vtrans TPI Admin	1,738.48
7002 · VTrans Better Roads FY 16	307.26
7400 · Brownfields expense	93.52
7401 · Brownfields Travel	20.95
Total Expense	<u>428,070.21</u>
Net Income	<u><u>8,095.86</u></u>



Central Vermont Regional Planning Commission

MEMO

Date: January 16, 2017

To: Executive Committee

From: Bonnie Waninger, Executive Director

Re: Establishing a Line of Credit

I am requesting Executive Committee approval to open a 12-month, \$25,000 Line of Credit for CVRPC.

What is a Line of Credit?

A line of credit is a revolving loan. The lender establishes a maximum loan amount and permits the borrower to access or maintain it. The borrower can access the funds at any time, as long as s/he does not exceed the maximum amount set in the agreement and as long as s/he meets any other requirements set by the financial institution, such as making timely minimum payments. The main advantage of a line of credit is its built-in flexibility. Borrowers tailor what they spend to their needs. They pay interest on the amount borrowed, not on the entire credit line.

Why Does CVRPC Need a Line of Credit?

CVRPC lacks sufficient reserve funds. Industry practice and past auditors for other regional commissions recommend regional planning and development organizations maintain 6 months of operating expenses in reserve. The recommendation is based on a number that:

- ensures organizations can continue to provide a useful level of service during tight budgets;
- provides for emergency funds, should they be needed (such as if the server malfunctions or cash flow is tight due to a state or federal government shutdown); and
- ensures sufficient funding to close down, should that ever be the case.

For CVRPC, a 6-month reserve amount would be ~\$389,000. CVRPC's current reserve balance is \$11,197. The balance has been low for many years. While CVRPC is working to increase its reserve balance, it would be prudent for the organization to establish a line of credit.

As previously discussed with the Committee, CVRPC is currently experiencing a cash flow challenge due to an employee's extended leave of absence. The leave maintained expenses while reducing revenues. Simultaneously, contract billing has been slow as new finance staff prepared for, and participated in, the organization's annual audit and trained into the position.

A 12-month, \$25,000 Line of Credit would provide sufficient time for CVRPC to recover from this event and sufficient funding to cover either one full payroll or a full server replacement.