



Meeting of the

FINANCE COMMITTEE

Thursday, November 19, 2013, 3:00-5:00PM
DOHMH, 2 Gotham Center, Long Island City, NY

MINUTES

Members Present: Daniel Pichinson (Chair), Marya Gilborn, Graham Harriman, Steve Hemraj, David Martin, Jan Carl Park, Allan Vergara

Other Planning Council Member Present: Randall Bruce

Staff Present: *NYCDOHMH:* David Klotz, Merline Jean-Casimir, Amber Casey, Darryl Wong, Nina Rothschild, Carlos Sanchez; *Public Health Solutions:* Rachel Miller, Gucci Kaloo, Peter Chea; *WCDOH:* Tom Petro

I. Welcome/Introductions

Mr. Pichinson opened the meeting, followed by introductions. The minutes of the June 13, 2013 meeting were approved with one change to reflect the actual carry-over amounts. *Mr. Martin* pointed out that the recommendation to provide bullet points on the details of the spending reports would assist Council members and consumers in understanding them. These will be provided with future reports.

II. FY 2013 Planning Council Support Budget Second Quarter Report

Ms. Jean-Casimir presented the FY 2013 second quarter spending report on the Planning Council budget. Overall, spending is at 53%, just slightly over the 50% target. Some items were paid in full for the entire year in the first or second quarter (e.g., website maintenance). Areas with above-target spending are related to meeting expenses. *Mr. Klotz* pointed out that during the first and second quarters (before the award was known), there were a large number of meetings, and the Council spent on items such as audio and food based on the previous year's award. There were virtually no meetings in the third quarter, and meeting-related expenses for the rest of the year have been cut back drastically (e.g., no food or audio at most meetings). Highlights of the ensuing discussion were:

- Some Council members may request amplification at meetings to comply with ADA requirements for the hearing impaired.
- The contractor for the online training is willing to take a reduction for the third year of the contract (FY 2014) and going forward.
- Council member demands to hold full meetings outside of DOHMH may increase space rental costs. All committees are currently being held in donated space.
- The only leeway in negotiating the budget is in OTPS costs, which are relatively small (\$121,896 in FY 2013). In FY 2013, the grantee shifted about \$50K from the grant administration budget to

cover Council expenses. In FY 2014, the fringe rate for staff will go up to 51%, and there may be increases in salaries, depending on contract negotiations between unions and the new mayor. Given the likelihood of additional reductions in the award, this will present challenges when negotiating the FY 2014 Council support budget.

III. FY 2013 Base and MAI 2nd Quarter Commitment and Expenditure Reports

Mr. Kaloo gave an overview of the FY 2013 Base and MAI second quarter commitment and expenditure reports (commitments are as of last week; expenditures as of were for the second quarter for all months through the August 2013 report, reimbursed by Public Health Solutions as of last week). 96% of the Base and 93% of the MAI awards were committed. The amount of uncommitted funds is mostly due to the partial award that the EMA received. When the full award was made, Public Health Solutions had to re-negotiate budgets, client service projections and even scopes of services. All contracts will be finalized soon. Public Health Solutions projects that there will be \$511K Base and \$41K MAI uncommitted funds after all contracts are finalized, which will be made available for reprogramming as per the Council's plan. In the Base and MAI reports, \$911K was shifted from Base to MAI to reconcile the two plans, in order for the individual plans to equal the exact grant award amounts, which were combined in the final FY 2013 spending plan, but there is no change in category allocations.

Spending was at 45% as of the end of the 2nd quarter, close to target and above the 39% in FY 2012. *Ms. Miller* noted that due to the late award, contractors were initially spending based on their original contract amounts (aka maximum reimbursable amounts/MRAs). The effects of the cuts will be seen in the 3rd and 4th quarter reports.

There was a discussion of the effect on services and the proportion of total FTEs in contracts that were lost. To determine the total FTEs funded by Ryan White programs prior to the cut to the award would be a cumbersome task since Public Health Solutions does not record salary budget lines for performance-based contracts. Also, committee members thought that knowing the actual impact of the cuts to services was more valuable. Therefore, a complete analysis of service projections compared with actual services provided will be done later in the year.

Mr. Chea provided details of the Base and MAI reports. Details include:

- High under-spending in ADAP/ADAP Plus is due to traditionally late reporting from the State. All funds are expected to be spent.
- Exceptionally high spending in MAI Housing is due to: a) one contract which terminated as of August 31, 2013, having spent its full MRA, and b) another contract, which provides wrap-around services, reduced by 55% in order to protect direct housing services, which spent almost its entire contract amount as of August. (The contractor will continue to provide services with non-Part A funds.) All housing contracts will end in February 2014 since the category was re-bid.
- The Quality Management allocation shows a high rate of under-spending as of the 2nd quarter due primarily to the fact that the contractor, the NYSDOH AIDS Institute, typically reports most of its expenditures in the final quarter of the year.

Ms. Casey reported that the EMA expects final approval of the FY 2012 carry-over soon. This amount, along with the FY 2013 uncommitted funds, will be enough to fully restore the \$2.76M upfront reduction to ADAP for the year. Due to the reduction in the award and the unusually high rate of spending we are seeing (and project will continue), the amount of carry-over for FY 2013 is expected to be lower than usual, which will have an impact on the amount that will be available to restore ADAP in FY 2014.

Mr. Petro reported on the Tri-county second quarter commitment and expenditure report. There are uncommitted funds from two contracts that still have not been executed (one in EIS, one in Oral Health). Spending is at a reported 31%, which is on target, as reporting in Tri-county lags by two months. Also, contractors were kept to 1/12 of their contract amount per month during the beginning of the year. *Mr. Petro* also reported that the FY 2012 carry-over, which was going to be used to fill the deficit from the cut in the FY 2013 award, is not needed due to the termination of four contracts that did not comply with audit requirements. The funds will instead go into the general reprogramming fund for ADAP.

There was a discussion on the expected size of the reduction to the award in FY 2014, with estimates ranging up to \$10M due to the end of hold harmless and the continuation of sequestration. While it is not in the Council's purview to direct the grantee in how to implement the cuts among contracts, they can make a recommendation that poor performing contracts be eliminated in order to maintain more robust contracts close to their service levels, providing that adequate geographical coverage is maintained.

There being no further business, the meeting was adjourned.