

AGENDA
Regular Meeting

Board of Directors
Chariton Valley Association
Wednesday, August 16, 2017

Administrative Office-1905 South High Street

11:30 AM – Lunch

12:00 PM – Administrative

1. Approval of Minutes
 - Regular Meeting: July 11, 2017
2. Monthly Financial Reports
3. Announcements: CVA Financial Audit, August 22-24; CVA Employee Banquet, Friday, September 15th, 5:30 PM to 8:00 PM, Kirksville Country Club.

12:30 PM – Planning

- Decision items
 - Fiscal Policy Revisions
 - Administration of Funds
 - Description of Responsibilities, Board of Directors
 - CVA Building Project/Committee Recommendation
- Discussion Items/Updates
 - Ray K. Idea on Monthly Board Meetings and Quorum
 - Proposal to DMH
 - MMAC Report
 - CVA Logo
 - 57 Grim Drive Roof Replaced

1:00 PM - Adjourn

Upcoming Meetings:

Regular Meeting: Tuesday, September 12, 2017, 11:30 AM-1:00 PM, CVA
Administrative Office

Resolution 1

**Approval of Minutes
Regular Meeting**

The following resolution was moved by _____, seconded by _____, and approved by a unanimous vote of _____.

BE IT RESOLVED that the minutes for the regular meeting held on July 11, 2017 are hereby approved as presented at this meeting.

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS

Chariton Valley Association, Inc.

July 11, 2017

A regular meeting of the Board of Directors of the Chariton Valley Association, Inc., was held on Tuesday, July 11th, 2017 at the Chariton Valley Association Office, located at 1905 South High Street in Kirksville. The meeting was called to order at 11:30 AM by Larry Burton, President of the Board, who presided during the meeting.

The following members were present: Larry Burton, Greg Dabney, Mariann Gibson, Neil Gilchrist, Matt Heeren, Ray Klinginsmith, Phil McIntosh, Judy Mullins, Becky Pike, and Marilyn Romine.

The following members were absent: Melba Bowen and Andrea O'Brien.

The following staff members were present: Terry Combs, Chief Executive Officer, Scott Roberts, Accounting Manager, Linda Bowers, Program Director, and Joshua Murphy, Administrative Assistant to the CEO.

Linda Bowers, Program Director provided a presentation updating the board on current CVA programs types as well as new individuals being served by the organization.

The May financial reports were reviewed. The Monthly Operating Analysis reported a gain of \$50,193 for the month and \$430,458 for the year. The Statement of Cash Flows demonstrated a \$461,249 increase in cash for the year.

Terry announced on September 15th, 2017, Chariton Valley Association, Inc., will be hosting an employee banquet at the Kirksville Country Club from 5:30-8:00. In addition, Terry stated Governor Eric Greitens withheld an additional 1.5% in funding on June 30th. The decision will negatively impact the Chariton Valley Association's budget by \$90,000, in addition to the \$40,000 that was already eliminated through the legislative process.

1. Decision Made Concerning Approval of Regular Meeting Minutes

The following resolution was moved by Ray Klinginsmith, seconded by Neil Gilchrist, and approved by a unanimous vote of 10 to 0.

BE IT RESOLVED that the minutes for the regular meeting held on June 22, 2017 are hereby approved as amended at this meeting.

2. Decision Made Concerning Approval of Executive Session Meeting Minutes

The following resolution was moved by Marilyn Romine, seconded by Mariann Gibson, and approved by a unanimous vote of 10 to 0.

BE IT RESOLVED that the minutes for the executive session meeting held on June 22, 2017, are hereby approved as presented at this meeting.

3. Decision Made Concerning Approval of FY 2017-2018 Proposed Amended Operating Budget

The following resolution was moved by Matt Heeren, seconded by Phil McIntosh, and approved by a unanimous vote of 10 to 0.

BE IT RESOLVED that the Fiscal Year 2017-2018 proposed amended annual operating budget, projecting Revenue of \$5,600,100, Personnel expenses totaling \$4,173,394, Non-Personnel expenses totaling \$1,336,584, and projected excess of revenues over expenses of \$90,122 be approved as the operating budget for the 2017-2018 fiscal year; and

BE IT FURTHER RESOLVED that a copy of the approved budget shall be attached to the minutes for this meeting as an exhibit.

4. Decision Made Concerning Approval of Hourly Employee Wage Increase

The following resolution was moved by Ray Klingensmith, seconded by Greg Dabney, and approved by a unanimous vote of 10 to 0.

WHEREAS, on June 22, 2017, the Chariton Valley Board of Directors approved an increase in the wage for all hourly employees by \$.50/hour, effective July 1, 2017; and

WHEREAS, implementation of the increase was approved pending the Fiscal Year 2017-2018 State of Missouri budget being approved by Governor Eric Greitens; and

WHEREAS, due to budget restrictions being announced by Governor Greitens on June 30, 2017, negatively impacting the Chariton Valley budget by \$90,000, Terry Combs, CEO did not implement the approved wage increases July 1st, pending review and approval of an amended Fiscal Year 2017-2018 Operating Budget.

NOW, THEREFORE, BE IT RESOLVED that Terry Combs, Chief Executive Officer is hereby authorized to implement a \$.50/hour wage increase for all hourly employees effective July 15, 2017.

Matt Heeren requested an update on the Chariton Valley Association's insurance coverage for cybersecurity. Terry stated that he has requested the cost of additional coverage limits from Ron Harrison of Whitney Harrison Insurance. Additionally, he also confirmed that cybersecurity is not included in the umbrella policy.

The board then discussed building plans. Mr. Combs provided a proposal from Morton Buildings for design/build. After discussion, the board decided to delay the decision until such time as the CVA Building Committee can meet to review the options then make a recommendation to the Board of Directors.

Terry then distributed first draft copies of the Chariton Valley strategic plan to members of the board who had not received a copy previously. The next step is for executive staff of the organization to make edits then work with the strategic planning committee of the board toward a more complete product.

Becky Pike then requested information regarding the tragic situation in Fulton, Missouri in which an individual with developmental disabilities went missing and was later discovered deceased. This particular case is being investigated as criminal action. However, it is important to note that the oversight requirements of the service delivery system failed at multiple levels because the young man was missing for several months before his absence was reported. Furthermore, the Case Management service was privately operated by a Senate Bill 40 organization and the family operated provider agency was also privately owned and operated.

The board asked about the review procedures that Chariton Valley provides. Chariton Valley residential programs are visited monthly by professional staff and the staff must see the people being supported at least one time per month. There was additional discussion regarding the oversight procedures for Host Home services. Terry explained that even though the Host Home providers are Independent Contractors of Chariton Valley, the background and certification requirements are primarily the same as all residential programs. Additionally, staff of the organization visit the program one time per month and must physically see the individual(s) being supported. Chariton Valley also utilizes an extensive application process before agreeing to work with a family or match them up with an individual with developmental disabilities.

There being no further regular business, the meeting was adjourned at approximately 12:47 PM.

Respectfully submitted,

Melba Bowen, Secretary

I hereby certify that the foregoing minutes were approved by the Board of Directors on August 16, 2017

Larry Burton, President

Proposed Amended Annual Operating Budget
 Fiscal Year 2017-2018
 Chariton Valley Association

Exhibit A

Center	*Budget FY 2017-2018	Adjustments	Proposed Amended Budget FY 2017-2018	Notes:
Operating Revenue				
Program	\$5,663,468	(\$90,205)	\$5,573,263	Withholds: 1.5% Reimbursement Rates and Rate Releasing Funds
Donations/Other	\$2,672	\$0	\$2,672	
Grant Revenue	\$0	\$0	\$0	
Interest	\$5,342	\$0	\$5,342	
General Relief Funds	\$18,823	\$0	\$18,823	
Total Revenue	\$5,690,305	(\$90,205)	\$5,600,100	
Personnel Expenses				
Wages & Taxes	\$3,576,932	\$0	\$3,576,932	
Benefit Insurance	\$500,236	\$0	\$500,236	
Workers Comp	\$57,353	\$0	\$57,353	
Retirement Benefits	\$14,110	\$0	\$14,110	
Recruitment/Retention	\$24,763	\$0	\$24,763	
Total Personnel	\$4,173,394	\$0	\$4,173,394	
Non Personnel Expenses				
Host Home Stipend	\$824,860	\$0	\$824,860	
Communications	\$41,189	\$0	\$41,189	
Repairs/Maintenance	\$42,052	\$0	\$42,052	
Building	\$85,578	(\$29,827)	\$55,751	New Office Building (1/2 year)
Utilities	\$43,368	(\$7,300)	\$36,068	New Office Building (1/2 year)
Food and Food Service	\$27,037	\$0	\$27,037	
Materials/Supplies	\$63,749	\$0	\$63,749	
Professional Fees	\$45,016	\$0	\$45,016	
Staff Training	\$24,860	\$0	\$24,860	
Staff Mileage	\$46,332	\$0	\$46,332	
Staff Travel	\$6,188	\$0	\$6,188	
Liability Insurance	\$21,339	\$0	\$21,339	
Equipment Purchases	\$13,547	\$0	\$13,547	
Equipment Depreciation	\$17,568	\$0	\$17,568	
Auto	\$62,042	\$0	\$62,042	
Public Relations	\$8,966	\$0	\$8,966	
Total Other Expenses	\$1,373,711	(\$37,127)	\$1,336,584	
Excess Revenue Over Exp.	\$143,200	(\$53,078)	\$90,122	

6/24

*Approved July 11, 2017

Monthly Operating Analysis

Chariton Valley Association, Inc.

2016-2017

	Period	Period	Period	YTD	YTD	Notes:
	Actual	Budget	Variance	Actual	Budget	
Revenue	06/30/2017	06/30/2017	Variance	06/30/2017	06/30/2017	
Program	\$ 479,856	\$ 418,166	\$ 61,690	\$ 5,149,716	\$ 5,017,772	\$ 131,944
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Revenue	\$ 743	\$ 348	\$ 395	\$ 6,326	\$ 4,187	\$ 2,139
Donations/Other Revenue	\$ 207	\$ -	\$ 207	\$ 1,424	\$ -	\$ 1,424
General Relief Fund	\$ 2,394	\$ 1,249	\$ 1,145	\$ 18,371	\$ 14,977	\$ 3,394
Total Revenue	\$ 483,200	\$ 419,763	\$ 63,437	\$ 5,175,836	\$ 5,036,936	\$ 138,900
Personnel						
Wages and Taxes	\$ 263,098	\$ 255,758	\$ (7,340)	\$ 3,029,503	\$ 3,069,459	\$ 39,956
Worker's Compensation	\$ 6,365	\$ 6,489	\$ 124	\$ 65,399	\$ 79,045	\$ 13,646
Benefit Insurance	\$ 39,910	\$ 37,400	\$ (2,510)	\$ 503,380	\$ 449,405	\$ (53,975) Claims Runout
Employer 403(b) Contributions	\$ 819	\$ 1,116	\$ 297	\$ 13,195	\$ 13,381	\$ 186
Other Personnel Costs	\$ 2,247	\$ 1,721	\$ (526)	\$ 19,370	\$ 20,641	\$ 1,271
Total Personnel	\$ 312,439	\$ 302,484	\$ (9,955)	\$ 3,630,846	\$ 3,631,931	\$ 1,085
Personnel Expenses						
Communication	\$ 2,164	\$ 2,863	\$ 699	\$ 35,528	\$ 34,477	\$ (1,051)
Repairs & Maintenance	\$ 891	\$ 3,830	\$ 2,939	\$ 41,175	\$ 46,796	\$ 5,621
Building	\$ 2,376	\$ 2,382	\$ 6	\$ 26,966	\$ 28,749	\$ 1,783
Utilities	\$ 3,022	\$ 2,062	\$ (960)	\$ 26,727	\$ 24,953	\$ (1,774)
Food	\$ 3,174	\$ 2,957	\$ (217)	\$ 28,108	\$ 35,583	\$ 7,475
Materials & Supplies	\$ 2,757	\$ 4,200	\$ 1,443	\$ 58,511	\$ 50,917	\$ (7,594) Growth
Professional Fees	\$ 11,487	\$ 3,940	\$ (7,547)	\$ 49,038	\$ 46,928	\$ (2,110) Software Service Agreements
Staff Training	\$ -	\$ 1,795	\$ 1,795	\$ 21,147	\$ 21,760	\$ 613
Staff Travel	\$ 118	\$ 346	\$ 228	\$ 5,502	\$ 4,218	\$ (1,284)
Staff Mileage	\$ 3,345	\$ 3,426	\$ 81	\$ 44,233	\$ 41,035	\$ (3,198) Growth
Liability Insurance	\$ 1,609	\$ 1,831	\$ 222	\$ 20,892	\$ 22,016	\$ 1,124
Equipment Purchase	\$ 5,838	\$ 1,350	\$ (4,488)	\$ 12,254	\$ 16,420	\$ 4,166
Equipment Depreciation	\$ 1,807	\$ 1,639	\$ (168)	\$ 20,656	\$ 19,679	\$ (977)
Transportation	\$ 4,611	\$ 4,080	\$ (531)	\$ 45,966	\$ 49,213	\$ 3,247
Public Relations	\$ 58	\$ 904	\$ 846	\$ 4,112	\$ 10,892	\$ 6,780
Host Home Stipends	\$ 75,275	\$ 48,850	\$ (26,425)	\$ 621,489	\$ 586,112	\$ (35,377) Growth
Total Non-Personnel Expenses	\$ 118,532	\$ 86,455	\$ (32,077)	\$ 1,062,303	\$ 1,039,748	\$ (22,555)
Total Expenses	\$ 430,972	\$ 388,939	\$ (42,033)	\$ 4,693,149	\$ 4,671,679	\$ (21,470)
NET SURPLUS/(DEFICIT)	\$ 52,229	\$ 30,824	\$ 21,405	\$ 482,687	\$ 365,257	\$ 117,430

**Endowment Fund Contributions
Chariton Valley Association, Inc.**

2016-2017

Revenue	Period	Period	YTD	YTD	YTD	
	Actual 06/30/2017	Budget 06/30/2017	Period Variance	Actual 06/30/2017	Budget 06/30/2017	Variance
Interest Revenue	\$ 53	\$ -	\$ 53	\$ 615	\$ -	\$ 615
Total Revenue	\$ 53	\$ -	\$ 53	\$ 615	\$ -	\$ 615

Non-Personnel Expenses					
Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Personnel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

NET SURPLUS/(DEFICIT) \$ 53 \$ - \$ 53 \$ 615 \$ - \$ 615 (Cumulative Total=\$127,448)

Balance Sheet
Chariton Valley Association, Inc.

2016-2017

	Actual as of <u>06/30/2016</u>	Actual as of <u>06/30/2017</u>
<u>Assets</u>		
General Cash	\$43,185	\$9,359
Petty Cash	\$150	\$150
Payroll Cash	\$9,885	\$9,931
Certificates Of Deposit	\$37,070	\$26,883
Retail Repo-Securities	\$671,129	\$1,090,438
Investments	\$5,801	\$5,801
Health Reimbursement Acct.	\$212,833	\$178,791
Operating Reserve Fund	\$5,825	\$5,825
New Program Fund	\$5,099	\$5,099
Res Cntr Repairs And Replacements	\$77,000	\$80,000
Gd Repairs And Replacements	\$32,000	\$35,000
57 Grim Repairs And Replacements	\$21,000	\$23,000
Admin. Repairs and Replacements Fund	\$37,000	\$40,000
Endowment Fund Rollover	\$50	\$50
Consumer Cash	\$387	\$387
Accounts Receivable	\$431,351	\$670,307
Prepaid Insurance	\$75,415	\$19,919
Property & Equipment-Net	<u>\$716,141</u>	<u>\$779,721</u>
Total Assets	<u>\$2,381,319</u>	<u>\$2,980,660</u>
<u>Liabilities</u>		
Accounts Payable	\$62,314	\$99,547
Accrued Payroll	\$69,135	\$95,059
Accrued Vacation	\$43,398	\$43,398
Other Payroll Liabilities	\$39,401	(\$7,335)
Host Home Excess Relief Time	\$133,949	\$256,428
Consumer Funds	\$12,234	\$9,482
Notes Payable	<u>\$171,436</u>	<u>\$151,940</u>
Total Liabilities	<u>\$531,866</u>	<u>\$648,520</u>
<u>Net Assets</u>		
Total Net Assets	<u>\$1,849,452</u>	<u>\$2,332,139</u>
Total Liabilities & Net Assets	<u>\$2,381,319</u>	<u>\$2,980,660</u>

Chariton Valley Association, Inc.
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016 and July through June of Fiscal Year 2016-2017

	Fiscal Year Ended June 30, 2016 (Audited)	Fiscal Year 2016-2017 July through June
Net Gain(Loss)	\$ 240,975	\$ 482,687
Cash Flow from Operations:		
Depreciation	\$ (12,861)	\$ 73,188
Decrease(Increase) in Receivables	\$ (69,049)	\$ (238,956)
Decrease(Increase) in Prepaid Insurance	\$ (36,872)	\$ 55,496
Increase(Decrease) in Payroll Cash	\$ (452)	\$ (46)
Increase(Decrease) in Accounts Payable	\$ 35,319	\$ 47,413
*Increase(Decrease) In Host Home Relief	\$ 70,548	\$ 122,480
Increase(Decrease) in Other Payable	\$ 64,063	\$ (33,743)
Total Increase(Decrease) in Operations	<u>\$ 50,695</u>	<u>\$ 25,833</u>
Cash Flow from Investing Activities:		
Sale(Purchase) of Equipment	<u>\$ 54,250</u>	<u>\$ (136,768)</u>
Cash Flow from Financing Activities:		
Payment on Building Loan	<u>\$ (18,197)</u>	<u>\$ (19,496)</u>
Net Increase(Decrease) in Cash	\$ 327,724	\$ 352,256
Beginning Balance of Cash	<u>\$ 820,803</u>	<u>\$ 1,148,527</u>
Ending Balance of Cash	<u><u>\$ 1,148,527</u></u>	<u><u>\$ 1,500,782</u></u>

Note *: The unused portion of host home relief is recorded as a liability.

Monthly Operating Cash Balance
Chariton Valley Association, Inc.
January 2017- June 2017

(Modified Cash Basis)

MONTH	January	February	March
BANK BALANCE	\$50,000	\$50,000	\$50,000
HEALTH REIMBURSEMENT ACCOUNT	\$178,356	\$181,326	\$139,902
RETAIL REPO	\$1,021,703	\$1,050,559	\$1,043,264
CERTIFICATES OF DEPOSIT	\$221,326	\$221,377	\$221,377
LESS:			
ACCRUED EXCESS RELIEF FUNDS	(\$205,635)	(\$218,186)	(\$239,821)
OUTSTANDING CHECKS	(\$33,691)	(\$14,924)	(\$25,778)
*TOTAL CASH & CASH EQUIVALENTS	\$1,232,059	\$1,270,152	\$1,188,944

MONTH	April	May	June
BANK BALANCE	\$50,000	\$50,000	\$108,965
HEALTH REIMBURSEMENT ACCOUNT	\$175,981	\$178,329	\$178,791
RETAIL REPO	\$1,051,500	\$1,165,859	\$1,090,438
CERTIFICATES OF DEPOSIT	\$221,608	\$221,608	\$221,608
LESS:			
ACCRUED EXCESS RELIEF FUNDS	(\$248,649)	(\$249,462)	(\$256,428)
OUTSTANDING CHECKS	(\$42,075)	(\$6,605)	(\$99,606)
*TOTAL CASH & CASH EQUIVALENTS	\$1,208,365	\$1,359,729	\$1,243,768

*includes internally designated funds of: \$178,000 Repairs and Replacements Funds (ADM, RC, 34GD, 57GD), \$5,825 in operating reserve funds and \$5,099 in New Programs Funds.

Employee Health Insurance Expense Analysis
 April 2017-June 2018
 Chariton Valley Association

Month	Fixed Premium	FSA Expenditures	CVA HSA Contributions	Employee Contributions	CVA Total Monthly Costs	Expected Monthly CVA Costs	Variance	Estimated Maximum CVA Plan Costs	Cash Transfer Amount
April 2017	\$43,301	\$1,118	\$3,900	(\$8,916)	\$39,403	\$39,328	(\$75)	\$41,054	\$1,118
May 2017	\$42,650	\$852	\$3,750	(\$9,509)	\$37,743	\$39,328	\$1,585	\$41,054	\$852
June 2017	\$44,590	\$1,138	\$3,700	(\$9,829)	\$39,599	\$39,328	(\$271)	\$41,054	\$1,138
July 2017	\$43,956	\$1,357	\$3,700	(\$9,695)	\$39,318	\$39,328	\$10	\$41,054	\$1,357
August 2017					\$0		\$0		\$0
Sept. 2017					\$0		\$0		\$0
October 2017					\$0		\$0		\$0
Nov. 2017					\$0		\$0		\$0
Dec. 2017					\$0		\$0		\$0
Jan. 2018					\$0		\$0		\$0
Feb. 2018					\$0		\$0		\$0
March 2018					\$0		\$0		\$0
April 2018					\$0		\$0		\$0
May 2018					\$0		\$0		\$0
June 2018					\$0		\$0		\$0
Totals	\$174,497	\$4,465	\$15,050	(\$37,949)	\$156,064	\$157,312	\$1,248	\$164,216	\$4,465

Notes: BOD Designated Reserve=\$180,000

Employee Health Insurance Expense Analysis
 April 2016-March 2017
 Chariton Valley Association

Month	Fixed Premium	Health Claims	Pharmacy Claims	*Specific Insurance Reimburse	Employee Contributions	CVA Total Monthly Costs	Expected Monthly CVA Costs	Variance	Estimated Maximum CVA Plan Costs	Cash Transfer Amount
April 2016	\$10,612	\$21,009	\$0	(\$1,778)	(\$7,261)	\$22,582	\$39,328	\$16,746	\$47,603	\$19,231
May 2016	\$8,843	\$22,132	\$8,825	\$0	(\$7,439)	\$32,362	\$39,328	\$6,966	\$47,603	\$30,958
June 2016	\$9,612	\$19,137	\$5,927	\$0	(\$7,384)	\$27,293	\$39,328	\$12,035	\$47,603	\$25,065
July 2016	\$9,945	\$30,806	\$5,058	\$0	(\$7,272)	\$38,537	\$39,328	\$791	\$47,603	\$35,864
August 2016	\$11,129	\$50,830	\$7,912	\$0	(\$7,587)	\$62,285	\$39,328	(\$22,957)	\$47,603	\$58,742
Sept. 2016	\$10,390	\$16,785	\$6,188	\$0	(\$8,003)	\$25,360	\$39,328	\$13,968	\$47,603	\$22,973
October 2016	\$11,589	\$28,826	\$8,544	\$0	(\$7,218)	\$41,741	\$39,328	(\$2,413)	\$47,603	\$37,369
Nov. 2016	\$11,155	\$26,802	\$7,774	\$0	(\$7,165)	\$38,566	\$39,328	\$762	\$47,603	\$34,576
Dec. 2016	\$10,558	\$18,395	\$11,260	\$0	(\$8,268)	\$31,945	\$39,328	\$7,383	\$47,603	\$29,655
Jan. 2017	\$10,277	\$59,535	\$1,512	\$0	(\$6,940)	\$64,384	\$39,328	(\$25,056)	\$47,603	\$61,047
Feb. 2017	\$10,277	\$37,026	\$10,043	\$0	(\$6,867)	\$50,480	\$39,328	(\$11,152)	\$47,603	\$47,069
March 2017	\$10,277	\$79,933	\$8,195	(\$40,394)	(\$6,748)	\$51,263	\$39,328	(\$11,935)	\$47,603	\$47,734
3/24 Aggregate	n/a	\$0	n/a	(\$38,835)	n/a	\$0	n/a	n/a	n/a	n/a
**Prior Yr. Adj.	\$5,862	\$8,782	\$2,094	\$0	n/a	(\$38,835)	n/a	n/a	n/a	n/a
***Claims Run	\$130,526	\$419,998	\$83,333	(\$81,007)	(\$88,150)	\$464,700	\$471,936	\$7,236	\$571,233	\$450,283
Totals										

*** Estimated runoff of claims incurred within the plan year but not paid within the plan year (Total \$44,680)

Notes***: IPMG Cost Runout, April-\$15,518.00, May-\$875.00, June-\$164.00, July-\$181

** Prior Plan Year Runout Claims

*Funds paid by CVA then reimbursed by specific insurer.

Notes: BOD Designated Reserve=\$227,000

Contract Minimum Aggregate Deductible is \$503,661

Resolution 2

Policy Amendments

The following resolution was moved by _____, seconded by _____, and approved by a unanimous vote of _____.

BE IT RESOLVED that amendments to the following policies are hereby approved as presented at this meeting:

- Administration of Funds
- Description of Responsibilities, Board of Directors

BE IT FURTHER RESOLVED that a copy of the approved policies shall be attached to the minutes for this meeting as an exhibit.

Chariton Valley Association, Inc.	Date Approved: 6/22/2017 Pending
Document Title: Administration of Funds	Date of Previous Issue: 4/1/16 6/22/2017

ADMINISTRATION OF FUNDS

To safeguard the assets of the organization, accounting practices generally accepted by the independent auditing agency of the corporation will be strictly abided by:

All payments are to be made by check or ACH transaction except for small petty cash items. Before payment of purchases and expenses, all invoices, purchase orders and receipts are properly reviewed and approved by the accounting staff of the organization once they have verified that the appropriate staff member and supervisor have signed the documents, and have reasonably determined that the expenditures were made in accordance with CVA policy and procedure. At least two members of the accounting staff shall review and verify that the necessary documentation is present and compliant prior to payment.

Two signatures are required on all checks. If the amount of the check exceeds \$10,000, one of the signatures must be from an officer of the Board of Directors. All checks are to be pre-numbered and all unused checks to be secured in a safe location. Spoiled and voided checks shall be mutilated to prevent wrongful use and kept on file for subsequent inspection by external auditors.

All invoices shall be canceled after payment with notation of check number and date of payment to prevent accidental duplicate payments.

On a monthly basis, a bank reconciliation is prepared for each checking account. A business office staff member, other than the person responsible for writing checks, shall complete the reconciliation. The reconciliation shall balance the monthly statement to the general ledger of the organization. Any identified discrepancies shall be reported to the Chief Executive Officer (CEO) as soon as possible or the Board of Directors if the concern involves the CEO. The CEO shall advise the Board of Directors as soon as possible if the reconciliation indicates any significant or recurring deviation from policy or procedure.

The payroll cash account shall be maintained on a minimal balance basis. Deposits to the payroll cash account should equal the net payroll amount for each payroll and must be transferred into that account before distributing payroll checks or completing ACH transactions.

All financial monitoring efforts shall be in strict compliance with the requirements as set forth in the master contract with the Missouri Department of Mental Health.

Description of Responsibilities Board of Directors Chariton Valley Association

Pursuant to company by-laws, for its management of the corporation, the following duties and responsibilities will be reserved for Board action or decision:

1. Employ an effective and capable Chief Executive Officer, establish the terms and conditions of such employment, and support and train them as the key person directly responsible for the operation and administration of the corporation.
2. Approve or disapprove the Chief Executive Officer's recommendations for hiring, promoting or discharging of personnel in the Accounting Manager, HR Manager, Director of Nursing and Program Director positions.
3. Approve wages and salaries.
4. Approve employee benefits.
5. Approve organizational charts.
6. Approve job descriptions for the Chief Executive Officer, Accounting Manager, HR Manager, Director of Nursing and Program Director positions.
7. Approve company policies.
8. Approve the purchase or repair of any equipment or facility wherein the cost exceeds \$10,000.
9. Approve the sale, lease, mortgage, donation, or other transfer of interest in any property owned by the corporation wherein the value/cost/expenditure exceeds \$10,000.
10. Approve the purchase or removal of insurance policies and their coverage.
11. Approve operating budgets and any amendments of such budgets.
12. Approve depositories for corporate funds and the contractual arrangements with such depositories.
13. Approve guidelines and investments of surplus funds.
14. Knowledge and awareness of contracts which involve revenues or expenditures in excess of \$10,000 and contracts with the Department of Mental Health or other parties for the operation of company programs.

15. Approve borrowing of funds or the creation of suretyships or other contingent liabilities.

16. Approve the selection of auditing firms.

~~17.~~ Approve the selection of ~~auditing firms,~~ consultants, or other professional service providers for which the expense will be more than \$10,000.

~~18.~~ Approve the types of programs offered by the corporation.

~~19.~~ Approve major public relations or fund raising campaigns.

The Board of Directors may authorize by resolution one or more of its members, one or more of its committees, or the Chief Executive Officer, to act on its behalf in regard to the above listed matters, either for a specific instance or on a continuing basis.

Resolution 3

CVA Building Project

The following resolution was moved by _____, seconded by _____, and approved by a unanimous vote of _____.

WHEREAS, at the July 11, 2017 meeting of the CVA Board of Directors it was requested that the Building Committee meet to determine a recommendation to the full board regarding future plans for an administrative office; and

WHEREAS, the Building Committee has met, completed the necessary review, and provided a written report recommending working with Ken Shook, local Architect.

NOW, THEREFORE, BE IT RESOLVED that the Chief Executive Officer, Terry Combs is hereby authorized to contract with Ken Shook, Owner and Architect of K.A. Shook Design, L.L.C to design an administrative office located on the vacant lot on East LaHarpe Street that is owned by Chariton Valley.

CVA Building Committee Report and Recommendations
Administrative office
August 2017

The CVA Building Committee most recently met on Tuesday, August 1st to review information and determine a recommendation to the CVA Board of Directors regarding design and construction of a CVA Office Building.

The Committee considered the Design/Build model presented by Ken Mata of Morton Buildings as well as the alternative use of a local Architect, Ken Shook. Mr. Shook is local and would be easier to access than an Architect from Morton Buildings who is most likely working out of an office in Illinois. Also, Mr. Shook has prior experience and expertise with interior design which should be very helpful if an "open" floor plan design is chosen. Finally, there was concern that the Design/Build model of Morton Buildings could lend itself to a conflict of interest and the interest of Chariton Valley not necessarily being properly represented.

Therefore, the committee determined that it should make a recommendation to the full CVA Board of Directors to contract with Ken Shook, Architect to design the project. Once the design is finalized and cost estimates are provided, the board can then determine on how to proceed. It is also important to note that Morton Buildings could still be involved in the project during the construction phase of the project if Chariton Valley chooses.

Here are the notes from prior meetings:

On Wednesday, July 26th, Ray, Marilyn, Larry, Neil and I met with Ken Shook, a local Architect, to determine his interest in our building project as well as gauge our interest in working with him to design and lead our building project.

Here is what we learned about/from Mr. Shook:

- Received his Bachelor's Degree in 1999 in Indiana and followed up with his Master's Degree at Texas Tech;
- He had his own firm in Ohio, prior to moving to Kirksville with his wife who is also an Architect and accepted a job at Truman State University;
- Was previously licensed as an Interior Designer;
- His recent projects in the area include remodeling work for: Cleaver Dermatology; Hamilton Street Baptist Church; Adair County Ambulance District to name a few;
- His pending design projects in the area include: Putnam County Housing remodel; new Sigma Epsilon Fraternity house; Adair County Library Expansion; Catholic Newman Center Expansion;
- He is interested in our project and estimated construction time of 4-6 months and would recommend starting in Spring of 2018;
- His preliminary estimate of the cost for the project is \$125/square foot.

On Friday, July 31st, Ray, Larry, Neil and I travelled to Chillicothe to meet with Ken Mata of Morton Buildings and to tour a recent project that they built in Chillicothe with an open floor plan.

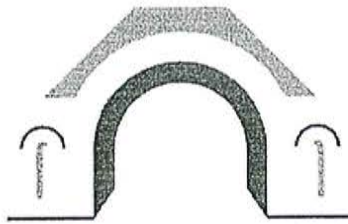
Here is what we learned from the visit with Mr. Mata and by touring the recent project:

- Ken provided a presentation regarding the Design/Build model by Morton Buildings.
- The Design/Build model could provide a more seamless process;
- The Architects are out of Illinois;
- Morton Buildings provides an on-site "project manager";
- The up-front cost for the Design/Build is \$12,000;

CVA Building Committee Report and Recommendations
Administrative office
August 2017

- He estimated 6 months for construction time and they are booked up for this year so the project would start in the Spring;
- Mr. Mata still estimates the cost of the project at \$100/square foot.

We also toured the new Skill Path Seminars call-center building in Chillicothe that was built by Morton Buildings. It was about half the size of our projected building but it was good to see an "open design" building as well as talk to the Manager of the business about her experience with Morton Buildings.



K. A. Shook Design, LLC

August 7, 2017

Terry Combs
Chief Executive Officer
Chariton Valley Association
1905 South High Street
Kirksville, MO 63501
RE: Proposal of Services

Dear Mr. Combs,

First I would like to thank you for letting me submit a proposal concerning producing drawings for a new office building on LaHarpe Street in Kirksville, Missouri. This letter is a proposal of services and fees based upon our meeting and the attached general conditions.

Scope

The project consists of the design of an approximately 10,000 sq. ft. office building with an appropriate sized parking lot. It is my understanding, to get the project started my firm will provide "Schematic Architectural Design" drawings developed enough to allow you to obtain a general understanding of the design. Included in this would be a floor plan, elevations and possibly three-dimensional sketches or models.

If after the Schematic Design you would like my firm to provide full architectural services please find an outline of these services below. Full Service includes engineered civil, electrical, plumbing, and HVAC systems. Due to the size and complexity of the project I may hire professional engineers for this purpose.

Full architectural service

- **Schematic Design phase 20%**, development of floor plan and elevations to meet scope of project including budget.
- **Design Development phase 20%**, selections of manufacturers, materials and colors.

1709 South Lewis Street
Kirksville, MO 63501
660-665-6900
www.kashookdesign.com

- **Construction Documents phase 35%**, providing drawings for bidding and building permits. This includes full specifications (manufacturers, materials, quality, method of installations, standards, etc.), Bonding and insurance requirements, bid forms, and recommended alternates. This includes basic layout of electrical, plumbing, HVAC and site civil systems but not full engineering.
- **Bidding and Negotiation phase 5%**, pre-qualifying of general contractors, putting the project out to bids, providing a level field for bidding, etc.
- **Construction Observation phase 20%**, represent you during construction, weekly job site visit, bi-weekly construction meeting, submittals review, general contractor pay applications review.

Price


The price for the full architectural service option will be based on a percentage of construction cost. I estimate the percentage of construction for the **full architectural service will be 4-7/8% of construction cost**. If you choose to stop the project for any reason you will only be required to pay based on the work completed. Please see the percentages in the above section of the proposal

Please note, traditional "additional services" may require an outside consultant such as survey, soil testing, environmental investigation, acoustical design, sound system design, etc. These are not part of my contract. If an outside consultant is needed, I will run it through my company with a 10% up-charge for coordination. I will bill monthly and expect payment within 15 days of submission of the invoice. It is company policy to charge interest of 24% a year (approximately 2% a month) for invoices that are not paid by the due date. There is a grace period of 120 days from the due date.

If you find this proposal to your agreement please let me know. At that point I will be able to start work. Due to the size of the project I will also draw up a standard American Institute of Architects contract.

I hope to provide further services to you and again, thank you for considering my firm. If you have any questions or concerns, please feel free to call me at 660-665-6900.

Sincerely,



Kenneth A. Shook, AIA
Architect

1709 South Lewis Street
Kirksville, MO 63501
660-665-6900
www.kashookdesign.com

General Conditions

Access to Site

Unless otherwise stated KASD will have access to the site for activities necessary for the performance of the services. KASD will take precautions to minimize damage due to these activities, but has not included in the fees the cost of restoration of any damage.

Indemnifications

The client shall indemnify and hold harmless KASD for all claims, damages, losses and expenses (including reasonable attorneys' fees) arising out of or resulting from the performance of the services and from errors, omissions or inaccuracies in the documents or other information provided by the client.

Risk Allocations

In recognition of the relative risks, reward and benefits of the project to both the Client and KASD, the risks have been allocated so that the Client agrees to that to the fullest extent permitted by law, KASD total liability to the client for any and all injuries, claims, losses, expenses, damages or claims expense arising out of this agreement, from any causes or causes shall not exceed the total fee paid to K. A. Shook Design, LLC.

Dispute Resolutions

In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the Client and KASD agree that all disputes between them arising out of or relating to this agreement shall be submitted to non binding mediation, unless the parties mutually agree otherwise.

Ownership of Documents

All documents produced by KASD shall remain the property of KASD and may not be used by the client for any other endeavor without written consent of KASD.

KASD assume all documents or other information provided by the client are either owned by the client or proper consent has been given. It is the clients sole responsibility to verify the ownership of all documents or other information before giving information to KASD.

Betterment

If due to KASD error any required item or component of the project is omitted from KASD construction documents, KASD shall not be responsible for paying the cost to add such item or component to the extent that such item or component would have been otherwise necessary to the project or otherwise add value or betterment to the project. In no event will KASD be responsible for any cost or expense that provides betterment or upgrade of the project.

Additional Services

Please note on all options you may require other traditional additional services that may require an outside consultant such as survey, soil testing, environmental investigation, artist rendering, acoustical design, sound system design, water runoff study, phone system design, etc. These are not part of my contract. If an outside consultant is needed, I will run it through my company with a 10% up-charge for coordination.

Engineering

Please note, for all options if civil, structural, plumbing, mechanical, and electrical engineering is provided it will be limited to what is "incidental and necessary" for completion of the design. If an engineer is required by you, the building department, or any other governmental agency you will be required to pay for the service.