RACS BOARD of DIRECTORS

Meeting Minutes August 26, 2026

Rockbridge Area Community Services Board of Directors meeting on
Wednesday, August 26, 2026, 4:00 p.m.

MEMBERS PRESENT

Mr. Steve Funkhouser, Chair
Ms. Hannah Becker
Mr. Rich Hastings
Ms. Karla Sprouse
Dr. Michael Gilmore
Mrs. Virginia Cameron
Mrs. Carolyn Kendall

MEMBERS ABSENT

Ms. Lori Hicks
Mr. Christopher Plogger
Mrs. Gail Mason

ADMINISTRATION, STAFF and GUESTS PRESENT

Kim Shaw, Executive Director
Don Sherman, Director of Operations
Samantha Hoke, Director of Community-Based Services and Prevention
Greg Hornback, Director of Clinical Services
Michele Mathis, Director of Financial Services
Phillip Jerman, Director of Developmental Services
BreAnne Rogers, Executive Assistant and Communications Coordinator

CALL TO ORDER

The meeting was called to order by Board Chair, Steve Funkhouser, at 4:02p.m. and there was a quorum. Introductions were made by all.

MINUTES

The minutes from the June 24, 2026 meeting of the RACS Board of Directors were reviewed by the board. Steve noted an updated date at the bottom of the meeting minutes. Chair Funkhouser asked for a motion to approve the minutes. Rich Hastings made a motion to approve the minutes and Dr. Gilmore 2nd the motion - carried unanimously.

PUBLIC COMMENTS

- N/A

BUDGET REPORTS

- June 2026 Financial Reports: The financial reports were reviewed. Michele noted that after the audit was completed, the net income in the report will need to be updated. That number has not yet been determined.
    - No questions were asked.
- July 2026 Financial Reports: The financial reports were reviewed. Michele noted a correction needed in the July report.
    - No questions were asked.

ACTION ITEMS

- Policies:
    - 4-08: Use of Agency Vehicles – Don shared that there is an added definition of qualified drivers and that the language at the end of the policy about use of vehicles during inclement weather will be removed.
    - 9-10: The Ethical use of AI in agency business – Don shared that some of the terminology has been updated since it was first created since due to many different types of AI. He also shared the guidelines are being revised to clarify that staff may use AI in agency operations, but that staff are still responsible for making sure the information is accurate and that IT approves. He also noted that staff would have to get permission to utilize AI.
    - Hannah asked if there is a list of what is acceptable or not for staff to put into AI, Don shared that staff cannot download software onto agency devices. Kim also shared that our IT company has a lot of security in place to safeguard what staff are able to download.
    - Karla noted that in line "f" in the policy, it still has the word generative. Don shared that he would update that.
    - Hannah asked if there has been any training on appropriate use of AI. Don shared that Dr. Gillette has offered an Ethics and AI training recently and that the prevention manager included a brief piece in a recent presentation to staff. He also noted that it is a good idea it just isn't something that we have done at this time. Karla shared that her agency offered a co-pilot training.
        - Any additional questions asked were answered by Kim and Don.

Chair Funkhouser requested a motion from the board to accept the agency policy changes as presented. Policy 4-08 and 9-10 Karla Sprouse moved to accept and 2nd by Hannah Becker – carried unanimously. **The board unanimously accepted changes to the agency polices 4-08 Use of Agency Vehicles and 9-10 The Ethical use of AI in Agency Business.**

- FY27 DBHDS Performance Contract was reviewed. Kim shared information about the performance contract to give an overview insight into the document.
    - No questions were asked.

Dr. Gilmore moved to approve the FY27 DBHDS Performance Contract and Karla Sprouse 2nd – carried unanimously. FY27 DBHDS Performance Contract approved.

SECURITY REVIEW UPDATES

- Don shared that our IT vendor found new software for email filtering and plans to roll it out in October.
- Don also shared that the in-house IT staff member will be retiring at the end of the calendar year and that he will be missed.

EXECUTIVE DIRECTORS' REPORT

- Kim highlighted several pieces in her report. In addition to Kim's report, she noted that RACS is part of the executive team for the Rockbridge Homeless Connection and that a few RACS staff recently participated in the point in time count. She shared that the goal

of the committee/coalition is to not only look at homelessness but also to look at affordable housing and reasonable goals and expectations for our area. Kim shared that the point in time count will be done again in January. Kim informed the board that she will share the data that was collected with them.

- Karla shared that Schoolhouseconnection.org and headstart.gov have trainings for individuals on homelessness.
- Kim noted that the Marcus alert conversations happened this week and that the local law enforcement agencies opted out of protocols 2 and 3 but will be doing protocol 1.
- Kim shared that Mike Bender resigned as the Bath County administrator and Janet Bryan is interim.
- She noted that RACS closed on Maple Hall and shared that there are many fixes needed. One of the first decisions made was to go with Mini Splits for heating and cooling. She mentioned that the cost to repair one unit is the same as buying mini-splits for all 3 buildings.
- Kim noted that the program closure celebration was held for Eagle's Nest and that renovations will start at that facility soon.
- HUD Updates – Don continues to work with Woods Rogers.
- Kim shared that the staff at Magnolia Center and the residential homes have stepped up to make sure everything continues to run smoothly and that all of the shifts are covered until positions are filled.
- She also shared that RACS was in attendance at the National Night Out event in Bath county.
- Rich asked what other things need to be done at Maple Hall, Kim shared that there's a lot that needs to be done, and that once the list is determined, she will share with the board.
- Hannah asked if there is an estimation for renovation costs and timeline for opening. Kim and Don shared that the plan is to do a soft launch in the Spring of 2027 with a goal of full launch by the beginning of the next FY.

UNIT DIRECTOR'S UPDATES

- All of the directors who were present gave updates in addition to their written reports.
- Sam shared that PSH is back up and running since both positions have been filled. She also noted that there has been a verbal acceptance of the veteran peer position.
- Sam mentioned that the school-based staff have transitioned back into the school and shared that the prevention team provided bags with prevention materials in it for the board members.
- Greg shared that the new ES manager started this week.
- Greg also shared that he has been working on new position descriptions for the new program and is in the process of trying to hire candidates for those new positions.
- Michele shared that the finance department is in the process of transitioning from FY26 to FY27. She also noted that the part-time maintenance team member transitioned to full-time.
- Phil shared that staffing is his main focus right now, but he has had several interviews already. He also shared that an offer letter has been sent to fill his previous position as a manager.

- Don shared that during the meeting with Janet (Bath) they discussed OAA funding and hope to get up to $40K to put towards the projects and plan to make applications to other localities for potential use of their OAA funds.
- Don also shared the telehealth expansion funds were received. These funds allow RACS to expand psychiatry services and therapy.
- He also noted that the is new software that will be up and running in Oct. and plan to roll out a new patient portal with mobile apps so that individuals can enter the portal with their phones.
- Don also shared that the new security/panic button system was launched a few weeks ago.

BOARD MEMBERS' COMMENTS

- Hannah noted that Kim shared the W&L Survey results. She recommended that a survey be implemented annually covering employee experience and make it available to board members as this would give a good idea of the trends and patterns. She shared that there are a variety of organizations that offer that service and noted that VMI uses a 3rd party vendor for their surveys. Kim shared that she will ask other CSBs who they work with to complete these surveys. Hannah requested that an update be provided at the next board meeting.
- Karla noted that when surveys are done something needs to be done with the data.
- Steve shared that the survey results should be held in house and not necessarily go to the board. He also shared that there is already something on the exit interviews.
- Ginny shared that a survey can also validate what is going well.
- Dr. Gilmore asked if RACS will be at the community festival. Kim confirmed.
- Karla noted that the HHA is open for public comments on headstart facilities.

CHAIRPERSON'S COMMENTS

- Steve shared that Maple Hall is a big undertaking but that everyone recognized the undertaking. He shared the need is there and that part of our role as CSB is, when applicable, provide those services to the community. This is an opportunity to provide a service that isn't mandated but needed. He also feels confident that if something happens and RACS needs to sell that property, RACS will get the money back.
- He shared that there are a lot of "elbow grease" type projects that need to be done, small painting projects, etc. that individuals can help with. Kim also shared that there are organizations that look for volunteer activities and that the plan is to make a list to share with those organizations.
- Karla asked if the local UW does a day of caring.
- Steve shared that these projects might be a good venue for individuals that are assigned community service hours.

Chair Funkhouser adjourned the meeting at 5:27 p.m. The next meeting of the Rockbridge Area Community Services Board will be at 4:00 p.m. on **October 28th, 2026, at 4:00 PM – Bath Community Hospital, 106 Park Drive, Hot Springs, VA 24445**