

minutes

Finance Committee/Citizen Board Oversight Committee		
1.13.2020	4:00 PM	DMA
Committee Chair	Heath Kahrs	
Attendees	Don Fulton, Anthony Manerchia (via teleconference), Ken Gatson, Ed Capodanno, Vickey Alexitch (via teleconference), and Heath Kahrs	

I. January Finance Committee Meeting

- a. Approved the December meeting minutes.

II. Financial Reports

- a. Discussed December financial reports.
- b. September 30 unit counts have been certified by the state. Finance Committee approved the final budget as presented in the December financial reports and will be presented to the Board in January for full approval.
- c. Currently at 50% of our budget year. We received 93.1% of our anticipated revenue versus 83.2% in the prior year.
- d. In terms of major revenue sources, DMA received all of its state operations subsidy as well as all of the local funding from school districts.
- e. Donations and fundraising currently has the largest variance from the budget (\$5,371 actual versus budget goal of \$100,000). Last year, donations were at \$18,640 at the same point in time. Most donations didn't come in until later in the fiscal year when the re-enrollments occurred and incoming freshman families received letters.
- f. Expenditures are at 52.1% for the six months ended versus 53.4% for the same period in the prior year. If debt service was prorated evenly throughout the year, DMA would be at 49.0%.
- g. There were no other concerns relating to variances and explanations contained in the December financial reports.

III. USDA Update

- a. Confirmed by Callow-Hill that rates did decrease to approximately 2.75% in the first quarter of 2020; and, as such, will wait until March of 2020 to re-evaluate the appropriate timing for refinancing the 2014 bond debt.
- b. Callow-Hill has some questions about the amount of the rate decrease and is looking into the calculation of the new rates posted for the first quarter.

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IV. L&L Plan

- a. Committee discussed the current plan and is working on revisions to be proposed to the full Board for approval.
- b. Revisions include proposing a lower required annual increase in reserves to \$150,000 before DMA can provide L&L payments. The current local reserve balance is approximately \$2.5 million. In addition, the proposed revisions include providing a max percentage of the increase in reserves that could be potentially paid out in L&L payments to a not to exceed 65% of the respective annual increase. The revised plan will also move the payment dates for L&L payments to August (which is subsequent to year-end) and will be based upon final fiscal year financial reports. Other provisions still being worked out involve which numbers/balances the increase in the reserve calculation will be based upon.
- c. Formal policy recommendation will be put forth once the last item identified above is worked out.