

DMA FINANCE/CBOC MEETING

A G E N D A

September 22, 2020

4 PM

**Virtual Meeting
(Zoom Conference Call)**

- Review/Approval of Prior Meeting Minutes
- Budget Review (Preliminary Budget FY21-07-31-20)
 - 7/31/20 Financial Reports
 - 8/31/20 Financial Reports
- Audit Update
- USDA Update

minutes

Finance Committee/Citizen Board Oversight Committee		
9.22.2020	4:00 PM	Zoom Conference Call
Committee Chair	Heath Kahrs	
Attendees	Bob Hill, Ed Capodanno, Ken Gatson, Anthony Pullella, Vickey Alexitch, Don Fulton, and Heath Kahrs	

I. Financial Reports

- a. Discussed July and August financial reports.
- b. As of August, DMA is at 16.67% of the budget year. We received 50.6% of anticipated revenue versus 51.0% for the same period in the prior year.
- c. Expenditures are at 16.4% for the two months ended versus 15.9% for the same period in the prior year.
- d. Personnel costs is exceeding the budget for the first two months and is at 20.4%. This is due mainly to timing in that July had three payroll cycles. Committee anticipates personnel costs will come back into line over future months. Committee discussed the Preliminary Budget line item for textbooks being significantly higher than prior and noted that this is due to the replacement cycle for textbooks.
- e. It was noted that the 2014 Bonds got refinanced in the month of August thus reducing the annual debt service of DMA from approximately \$1,079K to \$827K.
- f. There were no other concerns relating to variances and explanations contained in the July and August financial reports.

II. Audit

- a. Preliminary drafts of the DMA audit performed by Barbacane, Thornton & Company were provided to the committee prior to meeting.
- b. The drafts contain an “unmodified” opinion. Treasurer was going to review drafts outside of meeting and provide any questions to CFO if applicable.

III. USDA Debt Refinancing

- a. Dan Silva from Callowhill Capital Advisors joined the conference call to discuss the transaction executed on 8/27/20 concerning the 2014 Bonds.
- b. On 8/27/20, Seahawk CLS LLC (wholly-owned subsidiary of DMA) closed on the purchase of the Middleboro property from DMA. The 15,000,000 USDA loan to Seahawk CLS LLC allowed for the facilitation of the purchase. DMA used the proceeds from the sale to

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provide for an escrow fund to pay off the 2014 Bonds. DMA entered into a lease with Seahawk CLS LLC for the Middleboro property.

- c. The transaction provided immediate cash to DMA in the amount of \$1,088K. In addition, based upon the interest rate of 2.25% of the 15,000,000 40-year facility, DMA is anticipating approximately \$230,000 in annual debt service savings.
- d. The overall NPV of the transaction to DMA is \$3,190,500.