

# minutes

| Finance Committee/ Citizen Board Oversight Committee |   |                     |
|--|---|---------------------|
| 9.14.2015  | 4:30pm  | DMA Conference Room |
|  |   |                     |
| Committee Chair                                      | Victoria Alexitch   |                     |
| Attendees  | Ed Capodanno, Brad Bugher, Ken Gatson ,Bob Hill, Dick Riggins |                     |
| Not in Attendance                                    | Bill Foley  |                     |

## I. Audit

- a. Waiting on revised draft of financials updating pension numbers- Ken will distribute to the Finance Committee once received
- b. Barbacane Thornton will issue final report at our October Board meeting scheduled for October 26<sup>th</sup>, 2015
- c. Form 990 is to be filed by November 15<sup>th</sup>, 2015. Ken does not foresee any issues that would delay the filing of the 990 but will keep us abreast should any issues arise

### Action Items:

- *Ken to distribute revised draft of financials to finance committee once received from Barbacane Thornton*

## II. Budget 8/31/15

- a. Currently we are at 16.67% of our budget year with actual budget numbers running at 17.7%. We are running over budget primarily due to the bond payments. If bond payments were straight- lined we would be running under budget at 12.1%
- b. Brad Bugher asked if the Miscellaneous Taxes under Professional Services could be renamed “Property Taxes/Misc Taxes” as to be more descriptive
- c. Victoria Alexitch confirmed with Ken Gatson that property taxes for the new property acquired were budgeted for in the FY16 Budget

### Action Items:

- *Ken will rename misc taxes line on budget report to read Property /Misc taxes- **Completed on 9/15/15***

## III. Investments

- a. Ken Gatson has drafted the Directive letter for the CD’s held by

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Fulton Bank using the BNY Mellon Debt Reserve Funds and he will send to BNY tomorrow, 9/15/2015, per approval of the Finance Committee. Per direction of the Finance Committee the Debt Reserve Fund which is approximately \$823K will be invested in 4 CD's of equal value with the following term and rate schedule:

1. 3YR @ 1.01% APY
  2. 5YR @ 1.83% APY
  3. 5YR @ 1.83% APY
  4. 5YR @ 2.13% APY (Fulton will honor 7YR rate on one CD only, since 7YR term is no longer offered)
- b. There is approximately \$500K remaining from the Bond proceeds originally held at BNY.
  - c. Of the remaining proceeds, \$250K has been transferred from BNY to the DMA Operating account at WSFS to begin paying for costs related to our building project.
  - d. As of the 8/31/2015 bank statement, \$7500 of those funds had been used. The funds were paid to Growth Consultants to begin the feasibility study for our capital campaign.
  - e. The remaining \$250K currently held at BNY is earmarked to be invested in a short term CD at WSFS. Ken Gatson is currently working with Bill Foley at WSFS on this transaction. Ken will reach out to Bill Foley tomorrow regarding the status of this request and any penalties should we need to withdraw the money earlier than the CD maturity.

## Action Items:

- ***Ken Gatson will send CD Directive letter to Judy Gordon and James Young of BNY Mellon on 9/15/2015.- Letter was sent and received by Judy Gordon and James Young. Per James Young our letter/application is being reviewed by BNY's legal team. They will continue to follow up on this and give us the time frames for completion as soon as that information is available***
- ***Ken Gatson will reach out to Bill Foley regarding the status of the CD at WSFS.- Ken sent an email to James Young(BNY) with copy to Bill Foley regarding our intention and concern surrounding a short term CD. Bill Foley responded with an early withdrawal penalty schedule to help in our decision making. It was suggested by Brad Bugher and agreed upon by the Finance Committee to***

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*move forward with 2 CD's of equal value but with different terms, being a 6MO and a 9MO CD. The variance in the rate of return was nominal, but will afford us the opportunity to withdraw some of the funds at an earlier date should there be a need*

## IV. Compliance

- a. Dick Riggs, Representative of the Charter School Office at the DOE, joined our Finance/ Citizens Board Oversight Committee Meeting as a CBOC representative.
- b. Mr. Riggs was able to provide guidance as to our website and posting requirements of minutes regarding Board Meeting Minutes and the Finance/CBOC Minutes.
  - i. Per Mr. Riggs directive, Minutes from the Board Meeting must be approved at the subsequent Board meeting. Once approved the minutes must be posted to our website within 5 business days. The minutes from the Finance/CBOC meeting must be approved at the subsequent Finance/CBOC meeting with minutes being posted to our website within 5 business days.
- c. Per the Department of Education all Board Members, Finance Committee and Citizen Board Oversight Committee members must complete finance training. This training is offered various times throughout the year. Ken Gatson will reach out to Brook Hughes as to our members that have completed this requirement. Victoria Alexitch will discuss the importance of this requirement and encourage those who have not completed this required training to do so at their earliest convenience. Ken will keep the members abreast any scheduled future training.

### **Action Items:**

- *Ken will send Brook Hughes email inquiring about current DMA Board and Finance/CBOC members that have completed training-Received list of members that have completed their required training from Brook. Training attendance rosters dated back to November 2013*
- *Victoria Alexitch will address training requirement at*

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*Board Meeting on October 26<sup>th</sup>, 2015*

- *Ken Gatson will send finance training dates to required members as dates are available*

## **V. Miscellaneous Items**

- a. All PCards will be replaced with new cards that have microchips. Cards will be designated as either travel or purchase cards
- b. Victoria Alexitch asked Ken Gatson to forward her Booster Club financials for review
- c. Victoria Alexitch confirmed she is now receiving bank statements mailed directly to her
- d. Welcome to Bob Hill, DMA Board member and new member to the Finance Committee
- e. Welcome to Dick Riggs, DOE –Representative to the Charter School Office, for joining our Citizens Board Oversight Committee meeting