

Finance Committee Meeting

April 4, 2012

Call to order and attendance:

Chairman Richard Dobson called the meeting to order at 2:01 PM. All members were present except Senator Bramble.

Chairman Richard Dobson reported that the Executive Committee discussed the budget for FY-2013 during their March 30 meeting. He said the issue discussed was the projected ending balance on June 30, 2013. He said the Executive Committee voted to send notice to the Federal lobbyists that the Governing Board needed to cancel their contracts unless the Governing Board can find additional funding. Mr. Dobson said President Russ Brubaker and the other Executive Committee members were looking at funding alternatives. Mr. Scott Peterson said that one funding alternative discussed by the Executive Committee was raising state dues. He said he asked the Governing Board's auditor for advice on the proper structure if the Governing Board were to seek donations from outside for this purpose.

Mr. Peterson said the Governing Board would not need to find all of the \$180,000 currently being spent as the Governing Board would most certainly not spend all that was budgeted for this fiscal year. He said the ending balance will be a little greater than projected when the budget was adopted last year. He said the budget included money for the on-line taxability matrix which the Governing Board could choose not to build.

Mr. Peterson said the Finance Committee should plan on another meeting before the May Governing Board meeting. He said he should have the 3rd quarter ending numbers within 10 days. He said that should provide a better idea on the ending balance for FY 2012.

Review and discussion of the second quarter report:

Mr. Peterson said that at the end of the second quarter the Governing Board was overall under budget. He said total expenses are approximately 45% of the budgeted figure. He said that telecommunications, materials and supplies, and travel were over budget. He said materials and supplies were over because of \$2,200 in meeting registration fees for Scott Peterson and David Thompson. Mr. Peterson said he travel should level-out by the end of this fiscal year because he will have six weeks of no travel.

Mr. Peterson said the October 2011 meeting income and expenses will be in the third quarter report. He said the October meeting income was \$24,946 and the expenses were \$29,187 for a loss of \$4,241. He added that the budget presumes a \$10,000 annual loss on meetings and unfortunately it looked like that would happen. He said that the Balance Sheet reflects that almost all of the assets were in cash in three accounts: a Wells Fargo money market account and a checking account, and a savings account with Green Bank.

Ms. Amy Oneacre suggested creating a line item for meeting registration fees so it would be easier to track than it is being in Materials and Supplies. Chairman Dobson said we could do that or change the name of another category but next year's budget should make it is easy to identify. Mr. Peterson said some of the \$14,097 in Other Contractual Services will be moved to other spots. He said things like payments to the payroll company PayChex and the contract with Jessica Ando for training are what should be in Other Contractual Services. Ms. Diane Hardt moved to accept the second quarter financial report. That motion was approved on a voice vote.

New Business:

In response to a question from Chairman Dobson, Mr. Peterson said he sends out the annual dues notice approximately May 15 of each year. Mr. Peterson said there was discussion on the March 30 Executive Committee meeting about increasing dues to cover the lobbyists. Chairman Dobson said the dues are a function of the budget adopted at the October 2011 meeting. Mr. Peterson explained spreadsheet used to spread the total dues amongst the states. He said that half the dues are divided equally among all the states and the other half are divided among the states based on each state's share of total general state and local sales tax as reported by the US Census. He said that the spreadsheet includes the Census data. Chairman Dobson said that increasing dues by \$180,000 would increase them by 30% which is entirely too much. He said it looks like his Legislature was going to reduce all agencies by 8% a dues increase would not go over to well. Mr. Peterson said have not spent this year's \$37,500 for the online taxability matrix and could choose not to spend the same amount next year, which would go a long way to paying the lobbyists. Mr. Peterson said if Executive Committee was successful finding folks to help pay for that lobbying, and it was necessary to increase dues it certainly wouldn't be the \$180,000.

Chairman Dobson the dues change would have to be approved in the May Governing Board meeting. Mr. Peterson said the Governing Board would look to the Finance Committee for a recommendation on the right ending balance for FY 2013.

Chairman Dobson said he was looking for names to fill the vacancy on the Finance Committee.

Diane Hardt moved and Chairman Dobson adjourned the meeting at 2:40 PM.