

MINUTES OF BOARD OF DIRECTORS MEETING

Fall 2020 Video Conference

Friday, October 30, 2020

Board President Dennis Reilly called the meeting to order shortly after 10:00 a.m. CDST.

Present: President Dennis Reilly, Vice President Barry Fick, Past President Harry Huntley, Treasurer Don Templeton, Secretary Rebecca Floyd and Directors Corinne Johnson, Carol Johnson, Martin Walke and Mark Heller. Steve Corbin, Chris Meister, and NAHEFFA Advocate, Chuck Samuels with Mintz Levin were present for some or all of the videoconference meeting.

I. June 22, 2020 Minutes

Dennis asked for a motion to approve the minutes from the June 22, 2020 video conference Board meeting. Barry made a motion to approve the minutes and Corinne seconded. The minutes were approved without additional discussion.

II. Audit & Financial Report -- Treasurer, Don Templeton

Don asked Steve to discuss the audit, and Steve directed members to page three of the audit, noting cash and cash equivalents of \$128,768; accounts payable of \$10,246 (Mintz Levin Strategies, hereafter, "MLS") deferred revenue of \$28,186, including approximately \$16,000 of spring conference revenue deferred to the fall conference receipts. On page four, he went over membership dues, conference income, interest income of just over \$9,000 explaining it was of course lower this year attributable to the interest rate environment, resulting in total revenue of \$196,033. He explained the Program Services line is primarily MLS. Dennis pointed out the big drop in program services expenses from one year to the next due to cancellation of the Charleston and Milwaukee conferences and termination of Nichole Doxey's service contract.

Corinne commented that it was great that revenues exceeded expenses all things considered.

Steve went on to explain that page five provides additional detail relating to fees, expenses, and conference expenses, including website service and the telephone 1-800-line expenses.

Don said the auditors had no comments other than to again note that the small finance staff translates into some segregation of duties issues.

Dennis said the Audit Committee had a Note 1 comment regarding a clean-up of revenue recognition relating to membership dues and that the Committee will have some minor revisions to paragraphs one and three in Note 1.

Dennis thanked Don, Steve and their respective staffs for all the work they did behind the scenes to ensure that the financials and audit go smoothly each year.

Dennis asked for a motion to accept the Audit; Mark moved acceptance of the Audit and Carol seconded. The audit was unanimously accepted.

III. **Treasurer's Report**

Following a brief discussion regarding the incredible beauty and majesty of the Black Hills and Mount Rushmore, Don pointed out that on Page 2 the balance sheet balances and then led Directors through the page 3 income statement. He said his staff is projecting a net loss of approximately \$28,000 is budgeted for the fiscal year ending June 30, 2021, but noted a projected profit from the fall virtual conference. He reiterated Steve's comments relating to investments explaining we are just not getting much of a return on investments with rates so low. He noted most investments are still in CDs and the money market fund. Moving on to membership dues, he said we still need to collect from a few authorities, but that dues totaling \$92,000 have been received.

A discussion ensued regarding Mississippi who hasn't remitted dues in years, despite numerous attempts to reach out to the Mississippi Authority. Martin says he has tried, as have others to complete non-responsiveness.

Don remarked it would probably be a good idea to reach out to several of the Authorities who have been missing in action over the last few years to try and re-engage them.

He said it is difficult to project revenues for the spring 2021 conference set for Washington, D.C. because the D.C. format is yet to be determined.

Martin said if we wind up doing a virtual conference in D.C., he would still recommend doing a fly-in for those members who are willing to meet new members and staff. Chuck explained that virtual fly-ins are an option also and allows members to meet with multiple staff at a time. Martin said it will be important to start forging new relationships.

Dennis noted the canceled spring conference in the audit but said many donated their spring registrations and some sponsors donated as well, so the spring conference generated approximately \$19,000 in revenues with only nominal expenses incurred. Dennis requested a line to show how many non-profit borrowers were registered for the fall virtual conference. He believes we had at least 100 and picked up an additional \$7,000 in income for the fall conference. He said NAHEFFA paid \$9500 for the virtual platform. He concluded observing that financially, the virtual conference did very well.

Corinne suggested it might make sense to open future conferences to non-profits and others to join virtually, even once in-person conferences resume. Dennis agreed we should explore making the option available going forward.

V. Virtual Conference Review

Mark said he thinks it would be nice to recognize Kim and Sherrie in some way for their excellent work putting the fall conference together.

Chuck said NACUBO was really grateful to have access to the conference and mentioned the rating agency panel was extremely good.

VI. Spring Conference 2021

Dennis said the spring meeting will probably still need to be a virtual meeting, but that it is still too soon to confirm. Dennis asked Mark to contact the Mayflower to determine what the cancellation policy entails and if there is some additional flexibility now in cancellation provisions.

Chuck said it will be interesting to see if hotels start taking a hard line and minimize options such as retaining the deposit and rolling it forward to another date. Harry said the Francis Marion wanted to charge a \$9,000 fee for cancellation of his annual October conference.

Mark advised the Mayflower contract contains a lengthy section relating to cancellation provisions, and that in this pre-pandemic contract NAHEFFA would lose 50% of the room and 40% of the food and beverage deposits. He hopes because the contract was entered into pre-Covid, that they are offering some additional flexibility in those provisions now.

VII. Operations Director

Dennis said he is very pleased with Sherrie's work thus far, including the work she did on the conference and newsletter. He said once the dust settles, she will become more involved with the committees. Dennis advised that we had Nicole providing a timesheet format for hours worked and duties performed, but said Sherrie has been so busy, he told her it would be okay if she did not provide a lot of specificity regarding time and work performed. He is certain she has been working more than 20 hours a week since she started.

Dennis asked if anyone had any additional business for the Board; hearing no further requests, Harry motioned to adjourn, and Barry seconded the motion. Directors voted unanimously to adjourn the meeting at 10:45 a.m. CDST.

Rebecca E. Floyd, Secretary