Interstate Commission for Adult Offender Supervision

Finance Committee Meeting MINUTES

July 27, 2020 • 11 AM ET
Teleconference

Members in Attendance

1. Gary Roberge (CT), Chair
2. Tom Langer (AL)
3. Mary Kay Hudson (IN)
4. Christy Gutherz (MS)
5. Sheri Sliva (NV)

Members not in Attendance

1. Debbie Duke (TN), Ex-Officio

Staff

1. Ashley Lippert, Executive Director
2. Allen Eskridge, Policy and Operations Director
3. Barno Saturday, Logistics and Administrative Coordinator
4. Mindy Spring, Administrative and Training Coordinator
5. Xavier Donnelly, Project Manager
6. Kelsey Cole, Web Applications and Tech Support Manager

Call to Order

Chair G. Roberge (CT) called the meeting to order at 11:02 am ET. Five voting members were present, a quorum was established.

Approval of Agenda and Minutes

Commissioner C. Gutherz (MS) moved to approve the agenda as presented. Commissioner T. Langer (AL) seconded. Agenda approved.

Commissioner T. Langer (AL) moved to approve the minutes from the March 17, 2020 meeting as drafted. Commissioner S. Sliva (NV) seconded. Minutes approved.

Discussion

FY 2020 Budget Update: Chair G. Roberge (CT) stated that the Commission came about 3% under budget as anticipated. The national office moved a surplus of $100,000 into the Commission's reserve fund.

The Commission had roughly $200,000 in its checking account and $1,500,000 in its savings account. The Vanguard account went up by 1.7% from last month and closed with $1,887,000.

Approved on 11/09/2020. B.S.

Chair G. Roberge (CT) noted that the Vanguard account was doing well considering the current conditions. The Commission was in solid financial health with no major changes.

Executive Director A. Lippert added that the national office was able to add the $100,000 surplus into the Commission's reserve fund due to dividend income and operational savings, which primarily resulted from cancelling two face-to-face meetings due to COVID-19.

She presented a graph outlining the Commission's investment balance and performance over the last eight years. She noted that the graph will be published in the annual report.

Commissioner T. Langer (AL) asked how frequently the national office meets with the account manager.

Executive Director A. Lippert stated that she only contacts the account manager when she needs to rebalance the account's bond to stock ratio; other than that, she rarely speaks with the account manager.

ICAOS Investment Policy: Executive Director A. Lippert stated that when the market dipped in February 2020, the national office looked into protecting its investment funds. However, the Commission did not have a policy in place governing its investments. She presented Administrative Policy 02-2020 on Investments drafted by the national office. The policy provided the Commission's investment objective and defined responsibilities for managing the Commission's investments with target asset allocations, including permissible investments and diversification requirements.

The committee was in favor of the policy.

Commissioner T. Langer (AL) moved to recommend the Executive Committee adopt the Investment Policy as written. Commissioner M. Hudson (IN) seconded. Motion passed.

Fiscal Audit: Executive Director A. Lippert informed the committee that the annual fiscal audit began last week. The auditors will prepare a report based on their findings by mid-August. There were no issues, and she expects a clean report. The final report will be published in the FY20 Annual Report.

Executive Director noted the final FY20 budget would look slightly different than the one the committee reviewed today.

Chair G. Roberge (CT) thanked the national office for their diligent work toward managing the budget and protecting the Commission's assets.

Old/ New Business

Dues Reduction Proposal: Chair G. Roberge (CT) stated that state budgets face significant pressure to cut their spending as a result of economic challenges presented by COVID-19. To help states navigate this uncertain time, the Executive Committee proposed that the Commission use reserve funds in fiscal year 2022 to provide one-time dues relief.

Director A. Lippert added that coupled with operational changes, accessing reserves would allow for a manageable one-time 30% dues reduction for the FY22 without significant effect on the Commission's services or goals.

The full Commission will vote on the FY22 dues reduction proposal at the upcoming Annual Business Meeting this fall.

She explained that the Commission would see roughly $164K in savings in FY21 largely resulting from the 2020 ABM moving to a virtual platform.

In response to the COVID-19 pandemic, national office staff had been working remotely since March. With no loss in productivity or efficiency, the Executive Committee approved the national office to transition to a virtual office environment long-term. The transition would generate sustainable ongoing savings for the Commission cutting the operational cost and realizing about $48K in savings in FY22. The remaining amount of $281K will be taken from the Commission's reserve fund.

Executive Director A. Lippert explained that the national office received a request from a member state asking for relief of their FY21 dues payment. By that time, many states had already paid their annual fee. With a dues reduction requiring a full Commission vote, actions taken in FY21 would be complex.

Commissioner G. Roberge (CT) stated that the Commission had a healthy reserve fund and he was in full support of the proposal.

Commissioner C. Gutherz (MS) thanked for the generous offer and expressed her appreciation for the proposal.

Adjourn

Commissioner M. Hudson (IN) moved to adjourn. Commissioner S. Sliva (NV) seconded.

The meeting adjourned at 11:22 am ET.

Gary A. Roberge

Gary A. Roberge (Nov 11, 2020 07:15 EST)

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Final Audit Report 2020-11-11

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