



Interstate Commission for Adult Offender Supervision

Finance Committee MINUTES

11:00 AM ET, October 3, 2018
Wyndham Lake Buena Vista, Orlando, Florida

Members in Attendance

- | | |
|-----------------------|----------------|
| 1. Charles Lauterbach | Chair, IA |
| 2. Anthony Pennella | CA |
| 3. Christy Gutherz | MS |
| 4. Debbie Duke | Ex-Officio, TN |

Staff

1. Allen Eskridge, Director of Policy and Operations

Guests

1. Richie Spears MS

Call to Order

Chair C. Lauterbach (IA) called the meeting to order at 11:03 AM ET. Four voting members were present, a quorum was established.

Chair C. Lauterbach (IA) thanked the Committee for attending the meeting and informed the Committee that he was stepping down as Treasurer after the annual meeting.

Approval of Agenda and Minutes

Commissioner C. Gutherz (MS) moved to approve the agenda. Commissioner A. Pennella (CA) seconded. Motion passed.

Commissioner C. Gutherz (MS) moved to approve the minutes from the June 22, 2017 meeting. Commissioner A. Pennella (CA) seconded. Minutes approved.

Discussion

FY 2018 Final Budget Review/FY 2019-20 Budget Update: Chair C. Lauterbach (IA) stated that the overall financial health of the Commission was very good. He informed the Committee that ICAOS was always looking for ways to save the Commission's money. ICAOS continued to negotiate with vendors and would continue to do so in the future.

The Committee reviewed the FY 2019 and FY 2020 budget.

Chair indicated that a lot of budget variance depended on what the Commission decided to do with ICOTS and other technology programs.

Director Eskridge informed the Committee that the national office continued to negotiate with all vendors and that variability in costs beyond regular operating and personnel would largely determine the amount of funding required from investment income rather than dues. There are also efforts to reach out to other interstate compacts to determine if any additional expense sharing arrangements may be made and may be advantageous to the Commission.

Chair C. Lauterbach (IA) indicated that there had been consideration of using investment funds to purchase an office building and rent it to others. Tradeoffs associated with becoming a landlord were noted – insurance, maintenance, property management groups, etc.

Director Eskridge indicated that the national office was happy to accommodate any desire of the Committee and Commission.

Commissioner C. Gutherz (MS) noted that there were other options such as alternative work arrangements including teleworking or “hoteling.”

Results of FY 2018 Fiscal Audit: Chair C. Lauterbach (IA) indicated the Commission had an independent audit firm review the books and procedures. He noted that the auditors requested development of an accounting manual for staff process continuity. The Chair also indicated that the Committee needed to meet more often on a quarterly basis.

Director Eskridge applauded the consistency of direction from the Chair and advised the Committee that the Chair had maintained regular contact with the Executive Director throughout the year.

Director Eskridge noted future development of business continuity plans for review in part by the Finance Committee.

Chair C. Lauterbach (IA) indicated that one problem for the Commission is the amount of invested funds. He noted that there would need to be decisions related to that balance in the future. Some solutions proposed included not collecting dues for a year. However, he expressed concern that there would also be years where the market would decline and the investment account might not be maintained at such a large amount. Other noted options included turning the investment account into an asset for investment into programs such as ICOTS.

Director Eskridge reminded the Committee that dues assessments came to approximately \$1.5 million with expenses projected to exceed that amount at approximately \$1.6 million. So, the Commission had already been using investment income to meet operating needs.

The Chair indicated he would be willing to serve on the new Finance Committee but was adamant that there needed to be new people in leadership over time.

The Chair asked if there were other considerations regarding the budget. Director Eskridge indicated that the national office would apprise the Committee of efforts to maximize investment interest in savings accounts with an increased emphasis on risk mitigation per the auditor’s report.

Commissioner A. Pennella (CA) indicated it would be worth foregoing 1-2% in interest to mitigate the risk of loss through non-FDIC insured amounts/accounts.

The Committee will meet again later this year.

Adjourn

The meeting adjourned at 11:21 AM ET.

Signature: *Gary A. Roberge*
Gary A. Roberge (Jan 9, 2019)

Email: gary.roberge@jud.ct.gov

Approved Finance Committee minutes from Oct 3, 2018

Final Audit Report

2019-01-09

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