



MILITARY INTERSTATE
CHILDREN'S COMPACT
COMMISSION

FINANCE COMMITTEE MINUTES

FISCAL YEAR 2018

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**FINANCE COMMITTEE MEETING MINUTES
THURSDAY, JANUARY 23, 2018**

PRESENT	CAPT Robert Buehn, USN (ret)	Florida Commissioner	Chair
	Dr. Paul Aguilar	New Mexico Commissioner	
	COL(R) Chris Cmiel	West Virginia Commissioner	
	Pam Deering	Oklahoma Commissioner	Vice Chair
	Alan Kerr	South Dakota Commissioner	
	Greg Lynch	Washington Commissioner	
	Craig Neuenswander	Kansas Commissioner Designee	
	BG(R) Hal Stearns	Montana Commissioner	
	Davis Whitfield	National Federation of High School Associations	Ex-Officio
	Cherise Imai	Executive Director	Secretary
	Richard Pryor	Communications Associate/Director	
EXCUSED	Dr. Debra Jackson	New York Commissioner	
	RADM Clarke Orzalli, USN (ret)	Massachusetts Commissioner	
	Kyle Fairbairn	Military Impacted Schools Association	Ex-Officio
ABSENT	Brian Halstead	Nebraska Commissioner	

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:00 AM EST by CAPT Robert Buehn, USN (ret), Florida Commissioner and Finance Committee Chair. Eight voting members and one staff member was present.

ITEM 2 – AGENDA AND MINUTES

2. Greg Lynch (WA) motioned to approve the agenda, which was seconded by Hal Stearns (MT). The agenda was approved unanimously. Paul Aguilar (NM) motioned to approve the minutes of the September 21, 2017, seconded by Craig Neuenswander (KS) meeting which were approved.

ITEM 3 – REPORTS

3. **Dues FY18** – Cherise Imai reported that 49 states (98%) have paid their state dues, with 2 states outstanding, Alabama and Illinois. The national office is following up with both states on their payments, and we expect the dues to be paid within the next couple of months.

4. **First Quarter Report and Balance Sheets, FY18** – Chair Buehn reviewed the financial report as of November 30, 2017 and stated that based on previous years' expenditures, we are on target for the second quarter. Imai reviewed the line items and projected that due to the staff vacancy, she expected we would close the fiscal year under-budget.

5. **Arflack Kentucky Employee Retirement System (KERS) Invoice** – Imai reported that an invoice of \$1,506.12 was received from KERS. Based on a recent audit, they determined that they did only billed MIC3 for two of the three months for former Executive Director Norm Arflack's sick time when he retired. Imai reported that this was an unexpected line items in the budget, and she wanted to inform the committee. Lynch asked if this was a one-time expenditure, and Imai concurred.

6. **Investment of the Reserve** – Imai reported that our Vanguard investments continue to do well, and it has earned \$3,142.63 in interest income to date.

7. **Projected Dues and Budget, FY19** – Imai reported that post-Annual Business Meeting (ABM), CAPT Amy Adams of the National Oceanic Atmospheric Administration (NOAA) forwarded numbers for their uniformed personnel dependents = +386 children (residing in 19 states), based on a report provided by the Department of Defense, Manpower and Data Center. Chair Buehn agreed to include these numbers in the revised FY19 Dues report presented to the committee. The new projected dues revenue is \$582,246. The dues invoices would be distributed to states in the spring per our normal operational timeline. The final approved FY19 budget, approved by the Commission at the ABM, was included in the handouts for review.

ITEM 4 – OTHER BUSINESS

8. **Dues Formula** – The committee discussed looking at the dues increase because in the past 3 years, we have had an annual 2-3% decrease in revenue due to the reduction of military dependents. Members highlighted that the dues revenue is not keeping up with inflation, while we have increased the numbers of Commission members and services. It was noted that we are not trying to grow the fund balance, and they questioned what a reasonable increase would be. All agreed that there must be a plan for the revenue. Imai reviewed the timeline and process should the committee propose a change to the Rules. Lynch motioned that the committee gather analytics (such as CPI) and formula possibilities to review and consider. The motion was seconded by Pam Deering (OK). The motion passed unanimously. (OPEN ITEM)

ITEM 5 – ADJOURNMENT

With no further business to conduct, Chair Buehn adjourned the meeting at 11:35 AM EST.

Respectfully submitted by,



Cherise Imai
Secretary/Executive Director

**FINANCE COMMITTEE MEETING MINUTES
TUESDAY, APRIL 10, 2018**

PRESENT	Bob Buehn, USN (ret) Florida Commissioner Brian Halstead Nebraska Commissioner Dr. Debra Jackson New York Commissioner Alan Kerr South Dakota Commissioner Greg Lynch Washington Commissioner Craig Neuenswander Kansas Commissioner Designee RADM Clarke Orzalli, USN (ret) Massachusetts Commissioner Kyle Fairbairn Military Impacted Schools Association Cherise Imai Executive Director Rick Masters Outside Council Richard Pryor Communications Associate	Chair Ex-Officio Secretary
EXCUSED	Pam Deering Oklahoma Commissioner BG(R) Hal Stearns Montana Commissioner Davis Whitfield Natl Federation of High School Associations	Vice Chair ExOfficio
ABSENT	COL(R) Chris Cmiel West Virginia Commissioner	

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 3:32 PM EDT by Bob Buehn, Florida Commissioner and Finance Committee Chair. ED Cherise Imai conducted the roll call.

ITEM 2 – AGENDA AND MINUTES

2. Commissioner Alan Kerr (SD) moved to approve the agenda as presented, seconded by Commissioner Craig Neuenswander (KS). The motion passed unanimously. Commissioner Greg Lynch (WA) moved to approve the meeting minutes from January 23, 2018. The motion passed unanimously.

ITEM 3 – PROPOSAL TO INCREASE COMMISSION DUES

3. Commissioner Greg Lynch (WA) motioned to recommend to the Rules Committee that the Commission increase annual member dues by 15% and that the floor and ceiling amounts be increased by 15% to \$2,300 and \$69,000.

4. Discussion on the proposal followed.

- The Commission adopted the original dues formula of one dollar per military student in November 2009.
- The Committee has conducted a review of the finances and budget data and concluded that an increase in dues is necessary to meet our annual budgetary needs.

5. ED Imai reminded the Committee that the dues analysis we reviewed was based on FY2019, and any changes to the dues structure (if passed at the 2018 Annual Business Meeting) would not take effect until FY2020.

6. Dues Increase Justification:

- **The Commission membership has increased.** In 2009, the Commission had 24 member states. By 2014, the Commission membership increased to all 50 states plus the District of Columbia. In addition, the Commission included five Ex-Officio (non-voting) members. Travel expenses for Commissioners to the Annual Business Meetings are paid by the Commission.
- **The cost of doing business has increased.** The Consumer Price Index indicates an increase of 14.5% between 2008-2018.
- **The number of dependents has decreased.** An analysis of MIC3 dues of fiscal years 2017, 2018, and 2019 indicates:
 - the number of dependents has decreased 2-3% annually each year
 - overall revenue has decreased about 2% annually
- **The demand for support has increased.** With 50+1+5 members of the Commission, requests for resources, marketing collaterals, and training has increased.

7. Counsel Rick Masters stated that an overall 15% increase of the dollar amount, as well as raising the floor and ceiling dues amounts supports equity – that the increases are equally shared by all members. He also recommended removing some of the language which referenced implementation and phase in of the current dues.

8. Discussion closed and the motion passed unanimously.

9. Chair Buehn stated he would work with ED Imai and Counsel Rick Masters on revising the language and forwarding a copy to the Committee. He would forward the proposal to the Rules Committee and Executive Committee for review and consideration. This proposal is a recommendation and we are not bound by the proposal however it helps get the discussion process started in preparation for a larger conversation at the upcoming 2018 Annual Business Meeting.

ITEM 4 – ADJOURNMENT: With no further business to conduct, Chairman Buehn adjourned the meeting at 3:46 PM EDT.

Respectfully submitted by,



Cherise Imai
Secretary/Executive Director