

Finance & Operations Committee Minutes
April 27, 2020
9:30 PM – 11:30 PM

Board Members Present: Adela Flores-Brannan, Lorez Meinhold, and Dick Thompson

Staff Present: Justin Brandon, Brian Braun, Kelly Davies, Kelly Guthner, David Hague, Carolyn Pickton, Ilana Rivera, Lisa Sevier, Alan Schmitz, Monica VanBuskirk, and Ezra Watland

I. Welcome & Introductions

Lorez Meinhold called the meeting to order at 9:30 a.m., welcoming everyone in attendance. The March meeting minutes were reviewed and approved.

The May Finance & Operations Committee meeting is rescheduled to May 18, 2020 due to Memorial Day.

II. FY 2020 3rd Quarter Financials Update

Staff presented the 3rd quarter financial report for fiscal year (FY) 2020. The report highlights key performance indicators, financial results, projected revenues and expenditures. Throughout the first 9 months of the fiscal year, the average enrollment level stayed in line with budgeted levels. The Covid19 special enrollment period (SEP) is expected to have a significant impact in the 4th quarter.

Financial results for the first 9 months of the 2020 fiscal year are running below expectations. While revenues exceeded expectations through the first 9 months by \$976,000, this positive variance was countered by higher expenses in the 2nd and 3rd quarter. This resulted in earnings from operations coming under the budgeted level of \$1.7 million by \$550,000 for the year. The 2nd and 3rd quarter of the fiscal year are generally the highest quarter for expenditures due to the additional resources needed for open enrollment. This year that was exacerbated by the transition of the service center and to a lesser extent COVID 19.

III. FY 2021 Budget

The Committee reviewed an updated version of the proposed budget for FY 2021. Staff reduced operating costs and operation maintenance due to the technology modernization efforts in the first half of the year. In this revised version of the budget, capital expenditures have been reduced to avoid continued use of cash reserves.

Staff will provide a high-level summary of the draft budget to the Board at the May Board meeting. The finalized version of the budget will be reviewed at the May Finance & Operations Committee and brought to the June Board meeting for final approval.

IV. Public Comment

None

Meeting adjourned at 10:20 a.m.

Respectfully Submitted,

Lorez Meinhold
Committee Chair