

## IMLCC Budget Committee Meeting Notes

April 09<sup>th</sup>, 2024

<b>ATTENDEES</b>	
<b>COMMITTEE MEMBERS</b>	
Treasurer - Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Present</b>
Commissioner (Chris) Andresen – CT	<b>Absent</b>
Commissioner (Aisha) Nixon – DC	<b>Absent</b>
Commissioner (Shauna) Slaughter – DE	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Zena) Homan - ND	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Absent</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (James) Chaney- WA	<b>Absent</b>
Chair - Commissioner (Karen) Silas - AL	<b>Present</b>
Vice Chair - Commissioner (Jake) Manahan - MN	<b>Present</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Cleveland at approximately 11:00 am Eastern Time	
<b>ROLL CALL</b>	
<p>A quorum wasn't established. However, Treasurer Cleveland, serving as Chair of the budget committee, deemed it suitable to proceed with conducting business.</p> <p>The quorum was as follows: IMLCC Treasurer - Commissioner Cleveland, Three Active Commissioners, IMLCC Vice Chair - Commissioner Manahan, and IMLCC Chair - Commissioner (Karen) Silas.</p>	
<b>APPROVAL OF AGENDA</b>	

A draft meeting agenda was presented. A motion by Commissioner Veenis ( SD ) was seconded by Commissioner Cleveland ( MS ) to adopt the agenda. The motion passed unanimously.

### APPROVAL OF MINUTES

The draft minutes of the March 19<sup>th</sup> 2024, meeting was submitted before the session. Following thorough examination and deliberation, Commissioner Veenis ( SD ) moved to adopt the minutes. The motion was seconded by Slaughter ( DE ) and carried successfully.

### FISCAL UNIT UPDATE

Controller Blanco presented the Monthly Financial Reporting (MFR) update, noting that both revenue and expense figures were consistent with projections, ensuring a favorable financial position. The assembled quorum had no questions or concerns regarding the information provided.

The Transfer and Investment report, submitted prior to the meeting, demonstrated compliance with the committee's directives in all banking activities. A status update on the IMLCC's monthly portfolio value was also shared.

### EXECUTIVE DIRECTOR UPDATE

"The waterfall transfer document" was submitted prior to the meeting. The executive director recommended providing a monthly report with bank activity information to streamline the process. Using this approach, the commission will establish goals and objectives for investment opportunities and other bank-related transactions, which the IMLCC staff will then work to achieve.

Commissioner Cleveland highlighted the efficiency of the waterfall approach, which has benefited the IMLCC. However, following discussions with Commissioner Manahan, Treasurer Cleveland proposed changing the Chase IMLC savings funds from a fixed balance of \$200K to a sliding scale model. This approach ensures that the account balance never drops below \$200K, while any surplus is moved to an investment portfolio. The goal is to keep the Chase account under \$250K to comply with FDIC regulations, ensuring the IMLCC remains insured. Additionally, this system aims to redirect any surplus funds into the investment portfolio.

Treasurer Cleveland requested Executive Director Smith and Controller Blanco to review the IMLCC Transfers and Available Cash Policy and include the sliding scale model for further deliberation.

The executive director elaborated on the collaboration with Clifton Allen Larson (CLA) to update the revenue model to better accommodate revenue projections.

The IMLCC IT team is in the final stages of testing the implementation of ACH payments as an alternative payment solution on the IMLCC portal. They are dedicated to having the application operational in the production environment by June 1<sup>st</sup>

### COMMISSIONER AND/OR PUBLIC COMMENTS

No public members attended the meeting, and there were no comments from commissioners

### ADJOURNMENT- NEXT MEETING

The committee adjourned at 11:53 am Eastern.

The next meeting is scheduled for May 25<sup>th</sup> 2024, at 04:00 PM Eastern.

## IMLCC Budget Committee Meeting Notes

<b>ATTENDEES</b>	
<b>COMMITTEE MEMBERS</b>	
Treasurer - Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Present</b>
Commissioner (Chris) Andresen – CT	<b>Absent</b>
Commissioner (Aisha) Nixon – DC	<b>Absent</b>
Commissioner (Shauna) Slaughter – DE	<b>Absent</b>
Commissioner (Heidi) Koenig- KY	<b>Present</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Zena) Homan - ND	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Absent</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (James) Chaney- WA	<b>Absent</b>
Chair - Commissioner (Karen) Silas - AL	<b>Absent</b>
Vice Chair - Commissioner (Jake) Manahan - MN	<b>Present</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Cleveland at approximately 4:01 PM Eastern	
<b>ROLL CALL</b>	
<p>A quorum wasn't established. However, Treasurer Cleveland, serving as Chair of the budget committee, deemed it suitable to proceed with conducting business.</p> <p>The quorum was as follows: IMLCC Treasurer - Commissioner Cleveland, Four Active Commissioners, and IMLCC Vice Chair - Commissioner Manahan</p>	
<b>APPROVAL OF AGENDA</b>	
A draft meeting agenda was presented. A motion by Commissioner Veenis (SD) was seconded by Koenig (KY) to adopt the agenda. The motion passed unanimously.	

<b>APPROVAL OF MINUTES</b>
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The draft minutes of the February 20<sup>th</sup>, 2024, meeting was submitted before the session. Following thorough examination and deliberation, Commissioner Judd (TN) moved to adopt the minutes. The motion was seconded by Commissioner Veenis (SD) and carried successfully.

## **FISCAL UNIT UPDATE**

Controller Blanco provided the monthly financial reporting (MFR) update. She stated that both revenue and expense figures aligned with projections, maintaining a favorable financial position. The assembled quorum did not raise any inquiries or express concerns about the information presented.

The Transfer and Investment report was submitted before the meeting, showing adherence to the committee's directives in all banking activities. Additionally, a status update on the IMLCC monthly portfolio value was presented.

Treasurer Cleveland requested Executive Director Smith and Controller Blanco to review the IMLCC Transfers and Available Cash Policy to ensure its current suitability and assess the availability of cash for daily operations. Additionally, he urged for an annual review of the policy to better align with cash flow requirements.

## **EXECUTIVE DIRECTOR UPDATE**

The Executive Director provided an overview of the FY2025 budget and its components – particularly elaborating on the expenses related to IT projects. The motions were as follows:

1. "The Budget Committee recommends that the Commissioners of the Interstate Medical Licensure Compact approve the Fiscal Year 2025 budget (FY2025) as presented and authorize the executive director, under the supervision of the Treasurer, to execute the necessary contracts and sign the necessary documents to implement the FY2025 budget on behalf of the Commission." A motion by Commissioner Koenig (KY) to adopt the statement was seconded by Commissioner Judd (TN). The motion passed unanimously.
2. "The Budget Committee recommends that the Commissioners of the Interstate Medical Licensure Compact authorize the executive director to expend Commission funds to pay operational expenses up to the amount of \$6,773,608.05 approved in the FY2025 budget, to pay IT project expenses from the IT Projects Fund, and to remit service fees and licensure fees to member boards in accordance with the IMLC Statute and Rules." A motion by Commissioner Judd (TN) to adopt this statement was seconded by Commissioner Veenis (SD). The motion was unanimously approved.
3. "The Interstate Medical Licensure Compact Commission wishes it to be known that no fees will be levied or assessed to member states for Fiscal Year 2025, although authorized to do so by the IMLC Statute." A motion by Commissioner Judd (TN) to adopt this statement was seconded by Commissioner Brown (CO). The motion passed unanimously.

Treasurer Cleveland tasked Executive Director Smith and Controller Blanco with conducting a comprehensive analysis of variable costs linked to credit card fees and the user fees associated with the Mockingbird portal. The aim is to assess a model where these fees are treated as pass-through expenses, (becoming a responsibility of IMLCC licensees) to then gauge the sustainability of IMLCC fees. The analysis should include available options, along with the advantages and disadvantages of each option.

Treasurer Cleveland requested this item to be included on the agenda for May's meeting for thorough discussion and subsequent recommendation to the full commission.

**COMMISSIONER AND/OR PUBLIC COMMENTS**

No public members attended the meeting, and there were no comments from commissioners.

**ADJOURNMENT- NEXT MEETING**

The committee adjourned at 04:48 PM Eastern.

The next meeting is scheduled for April 9<sup>th</sup>, 2024, at 11:00 PM Eastern.

## IMLCC Budget Committee Meeting Notes

**February 20<sup>th</sup>, 2024**

**ATTENDEES****COMMITTEE MEMBERS**

Treasurer - Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Absent</b>
Commissioner (Chris) Andresen – CT	<b>Absent</b>
Commissioner (Aisha) Nixon – DC	<b>Present</b>
Commissioner (Shauna) Slaughter – DE	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Present</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Zena) Homan - ND	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (James) Chaney- WA	<b>Present</b>
Chair - Commissioner (Karen) Silas - AL	<b>Absent</b>
Vice Chair - Commissioner (Jake) Manahan - MN	<b>Present</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

**CALL TO ORDER**

The meeting was called to order by Commissioner Cleveland at approximately 4:13 PM Eastern

**ROLL CALL**

A quorum was established.

## APPROVAL OF AGENDA

A draft meeting agenda was presented. A motion by Commissioner Cousineau (NV) was seconded by Slaughter (DE) to adopt the agenda. The motion passed unanimously.

## APPROVAL OF MINUTES

The draft minutes of the January 23, 2024, meeting was circulated before the session. Following thorough examination and deliberation, Commissioner Chaney (WA) moved to adopt the minutes. The motion was seconded by Commissioner Nixon (DC) and carried successfully.

## FISCAL UNIT UPDATE

Controller Blanco delivered the monthly financial reporting (MFR) update. Both revenue and expense figures were in line with projections and remained on target, indicating a favorable overall financial stance. The assembled quorum did not raise any inquiries or express concerns regarding the presented data.

The Transfer and Investment report was distributed ahead of the meeting. All banking activities adhered to the committee's directives, and a status update on our monthly portfolio value was presented.

## EXECUTIVE DIRECTOR UPDATE

The Executive Director delivered an in-depth breakdown of the FY2025 budget, offering comprehensive insights into its components. Subsequently, a broad conversation ensued regarding the budgetary process, particularly focusing on the transition of figures from the budget file to the Profit and Loss statement, with illustrative examples provided. Furthermore, the director elucidated the application of the revenue model and its role in forecasting revenue. Additionally, attention was directed towards the total spending authority for FY2025, especially concerning off-budget matters such as capital expenditures related to IT projects.

Treasurer Cleveland's feedback suggested incorporating a breakdown of both organic and new business revenue projections for comparison with actual figures. This approach aims to assess the accuracy of the forecasting process and gauge the resilience of future revenue streams.

## COMMISSIONER AND/OR PUBLIC COMMENTS

A comment from the Executive Director: A procedural adjustment has been implemented in response to commissioners' requests regarding the accessibility of meeting information. Consequently, all IMLCC meeting details are now accessible on our website. The director is seeking feedback on the information provided to enhance and refine this process.

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 5:08 PM Eastern.

The next meeting is scheduled for March 19<sup>th</sup>, 2024, at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

January 23, 2024

<b>ATTENDEES</b>	
<b>COMMITTEE MEMBERS</b>	
Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Present</b>
Commissioner (Chris) Andresen – CT	<b>Present</b>
Commissioner (Aisha) Nixon – DC	<b>Present</b>
Commissioner (Shauna) Slaughter – DE	<b>Absent</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Zena) Homan - ND	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Absent</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (James) Chaney- WA	<b>Present</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Present</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Absent</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Cleveland at approximately 4:14 PM Eastern	
<b>ROLL CALL</b>	
A quorum was established.	
<b>APPROVAL OF AGENDA</b>	
A draft meeting agenda was presented. A motion by Commissioner Cousineau (NV) was seconded by Commissioner Andresen (CT) to adopt the agenda. The motion passed unanimously.	

<b>APPROVAL OF MINUTES</b>
The draft minutes from the November 13, 2023 meeting were provided before the meeting. After review and discussion, a motion by Commissioner Cousineau (NV), seconded by Commissioner Andresen (CT), was made to adopt the minutes. The motion passed. Commissioner Brown (CO), as well as Commissioner Chaney (WA), refrained from voting as they were absent from the last meeting.
<b>FISCAL UNIT UPDATE</b>

The Budget Committee met with Clifton Larson Allen LLP (CLA) representative Kendall Haffner. She presented the FY2023 audit results as well as details of audit reports released by CLA. The auditors expressed an unmodified - clean opinion over the IMLCC FY2023 Financial Statements, stating that they were able to perform the required work on the statements provided by management and that the IMLCC financial statements were presented fairly in all material aspects. Financial statements were also found to be in compliance with US GAAP and statutory requirements.

- A motion by Chaney (WA) seconded by Commissioner Andresen (CT) was made to approve the FY2023 audit reports as presented.
- The motion passed unanimously.

A monthly financial reporting update was provided by Controller Blanco. A general discussion was held regarding the information provided. Revenue and expense numbers are within expectations and on budget, showing an overall positive position. The quorum had no questions or concerns related to the information provided.

## GENERAL DISCUSSION

The executive director provided an update on the following items:

- Credit card fees: The IMLCC staff has been working with a group of merchant vendors to find solutions that could minimize credit card fees in addition to providing different payment options. The IMLCC IT team is utilizing our test environment to draft payment protocols.
- IT project fund: The IT project fund was created in FY2022 with an authorized amount of up to 1.5 million dollars to pay for IT-related projects. This is an off-budget item; therefore, it's not included in the executive director's spending authority. However, the amount reported in the Monthly Financial Report (MFR) is the total transferred from our operating fund into the IT project fund to maintain the balance of 1.5M after payments for current projects are made.
- IMLCC Fees: The IMLCC staff is currently evaluating our fees and the long-term sustainability of current income.

## COMMISSIONER COMMENTS

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 5:08 PM Eastern.

The next meeting is scheduled for February 20<sup>th</sup>, 2024, at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

**NOVEMBER 13, 2023**

## ATTENDEES

### COMMITTEE MEMBERS

Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Absent</b>
Commissioner (Chris) Andresen – CT	<b>Absent</b>



Commissioner (Shauna) Slaughter – DE	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Christine) Farrelly - MD	<b>Present</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Absent</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) DeLeon- WA	<b>Absent</b>
Commissioner (Lisa) Galbraith- WA	<b>Absent</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Absent</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Absent</b>

#### **STAFF**

Marschall Smith, IMLCC Executive Director	<b>Absent</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

#### **CALL TO ORDER**

The meeting was called to order by Commissioner Cleveland at approximately 10:01 AM Mountain

#### **ROLL CALL**

A quorum was established.

#### **APPROVAL OF AGENDA**

A draft meeting agenda was presented. A motion by Commissioner Cousineau (NV) was seconded by Commissioner Slaughter (DE) to adopt the agenda. The motion passed unanimously.

#### **APPROVAL OF MINUTES**

The draft minutes from the July 18, 2023, meeting was provided prior to the meeting. After review and discussion, a motion by Commissioner Slaughter (DE ) seconded by Commissioner Cousineau (NV) was made to adopt the minutes. The motion passed unanimously.

#### **FISCAL UNIT UPDATE**

An update of the unaudited FY2023 October P&L was provided by Controller Blanco. The update included business metrics, revenue and expense details, investments, and spending authority usage. Revenue and expense numbers were within expectations and on budget, showing an overall positive position. A general discussion was held regarding the information provided. The quorum had no questions or concerns related to the Monthly Financial Reporting (MFR).

#### **GENERAL DISCUSSION**

Commissioner Cleveland inquired about finding a merchant service that could facilitate other payment methods on the IMLCC portal. The IMLCC staff continues to search for options around this item.

Commissioner Farrelly inquired about the termination of the Prince Street lease. Controller Blanco stated that the IMLCC was able to relocate its headquarters office without any extra expense related to lease terminations as the landlord was able to find other tenants to take over IMLCC Units. No early termination fees or other expenses were billed to the IMLCC.

**COMMISSIONER COMMENTS**

Commissioner Farrelly inquired about reducing the IMLCC fees. Treasurer Cleveland stated that it is unknown what the IMLCC's future financial position will look like when there are no more states to add therefore it may be too early to discuss price changes.

**ADJOURNMENT- NEXT MEETING**

The committee adjourned at 3:40 PM Eastern. The next meeting is scheduled for June 20<sup>th</sup> 2023 at 4:00 PM Eastern.

**IMLCC Budget Committee Meeting Notes**

**JULY 18, 2023**

**ATTENDEES**

**COMMITTEE MEMBERS**

Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Present</b>
Commissioner (Chris) Andresen – CT	<b>Present</b>
Commissioner (Shauna) Slaughter – DE	<b>Absent</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) DeLeon- WA	<b>Absent</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Absent</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Absent</b>

**STAFF**

Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

## CALL TO ORDER

The meeting was called to order by Commissioner Cleveland at approximately 4:01 PM Eastern.

## ROLL CALL

A quorum was established.

## APPROVAL OF AGENDA

A draft meeting agenda was presented. A motion by Commissioner Veenis (SD) was seconded by Commissioner Cousineau (NV) to adopt the agenda. The motion passed unanimously.

## APPROVAL OF MINUTES

The draft minutes from the June 20, 2023, meeting was provided prior to the meeting. After review and discussion, a motion by Commissioner Galbraith (WA), seconded by Commissioner Andresen (CT), was made to adopt the minutes. The motion passed unanimously.

## FISCAL UNIT UPDATE

An update of the unaudited FY2023 financial documents was provided by Controller Blanco. Revenue and expense numbers are within expectations and on budget, showing an overall positive position. A new reporting format in the form of a PowerPoint presentation, was presented. The presentation included FY23 final metrics and an overview of financial statements and investments. The quorum had no questions or concerns related to the new format and requested that it be included in future meetings.

## GENERAL DISCUSSION

Controller Blanco was congratulated by the executive director for her leadership, outstanding performance in closing FY23 books, and contributions to the IMLCC.

The executive director provided an update on legislative activities, stating that the legislation passed in the state of Hawaii as well as the state of Missouri. The IMLCC team is working with these boards in order to get them ready. Other states such as Pennsylvania and New Jersey are also reaching out to begin their licensing process with the IMLCC.

## COMMISSIONER COMMENTS

Treasurer Cleveland decided to move to a quarterly meeting cadence with monthly updates. The IMLCC staff will provide monthly updates to the Budget Committee and will be available to answer any questions that may come up during blackout months. The budget Committee will resume monthly meetings during budget season to discuss and approve the FY25 budget. The quorum had no questions or concerns related to this decision.

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 4:17 PM Eastern. The next meeting is scheduled for October 17<sup>th</sup>, 2023, at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

JUNE 20, 2023

<b>ATTENDEES</b>	
<b>COMMITTEE MEMBERS</b>	
Commissioner (Kenneth) Cleveland- MS	Present
Commissioner (Nate) Brown – CO	Present
Commissioner (Chris) Andresen – CT	Present
Commissioner (Shauna) Slaughter – DE	Present
Commissioner (Heidi) Koenig- KY	Absent
Commissioner (Christine) Farrelly - MD	Absent
Commissioner (Ed) Cousineau- NV	Absent
Commissioner (Suzanne) Veenis-SD	Present
Commissioner (Penny) Judd – TN	Absent
Commissioner (Robert) Martinez – TX	Absent
Commissioner (Melanie) DeLeon- WA	Present
Commissioner (Lisa) Galbraith- WA	Present
Commissioner (Karen) Silas – AL – Ex-Officio Member	Present
Commissioner (Mark) Spangler – WV – Ex-Officio Member	Absent
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	Present
Keyla Blanco, IMLCC Controller	Present
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Cleveland at approximately 3:03 PM Eastern	
<b>ROLL CALL</b>	
A quorum was established.	
<b>APPROVAL OF AGENDA</b>	
A draft meeting agenda was presented. A motion by Commissioner Andresen (CT) was seconded by Commissioner Slaughter (DE) to adopt the agenda. The motion passed unanimously.	
<b>APPROVAL OF MINUTES</b>	
The draft minutes from the April 18, 2023, meeting was provided prior to the meeting. After review and discussion, a motion by Commissioner Galbraith- WA seconded by Commissioner Veenis-SD was made to adopt the minutes. The motion passed unanimously.	
<b>FISCAL UNIT UPDATE</b>	

An update of the unaudited FY2023 May P&L financial documents was provided by Controller Blanco. Revenue and expense numbers are within expectations and on budget, showing an overall positive position. The quorum had no questions or concerns related to the P&L.

## GENERAL DISCUSSION

The executive director provided an update on the savings bank diversification project, stating that the CD project is now finalized and implemented, and the summary is as follows:

- All IMLCC restricted reserve accounts are now held by separate banks in amounts that are fully protected by the Federal Deposit Insurance Corporation (FDIC) limits.
- The IMLCC now has four CD accounts, 2 of which will mature in a period of 12 months while the other two will mature in 18 months. The executive director pointed out that the accrued interest is paid out to the IMLCC on a monthly basis and the total of most recent payments was over \$2,000.00.
- A general discussion was held on investment portfolio status and current value.
- The IMLCC treasurer commented on possible real estate investments for the IMLCC as he and the executive director have been working with a real estate agent to explore the market. The intention is to secure the future of the IMLCC, as well as to reduce licensing application fees in the future. Treasurer Cleveland stated that the right investment opportunity has not presented itself yet, but discussions regarding this subject are meant as preparation for future decision-making. Commissioner Veenis -SD inquired about the investment amount and the reason for the investment. A general discussion was held. The quorum had no other questions or concerns.

## COMMISSIONER COMMENTS

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 3:40 PM Eastern. The next meeting is scheduled for August 15<sup>th</sup> 2023 at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

**April 18, 2023**

## ATTENDEES

### COMMITTEE MEMBERS

Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Absent</b>
Commissioner (Chris) Andresen – CT	<b>Absent</b>
Commissioner (Shauna) Slaughter – DE	<b>Present</b>

Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Absent</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) DeLeon- WA	<b>Absent</b>
Commissioner (Lisa) Galbraith- WA	<b>Absent</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Present</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Absent</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

### **CALL TO ORDER**

The meeting was called to order by Commissioner Cleveland at approximately 3:01 PM Eastern

### **ROLL CALL**

A quorum was established.

### **APPROVAL OF AGENDA**

A draft meeting agenda was presented. A motion by Commissioner Cousineau (NV) seconded by Judd (TN) to adopt the agenda. The motion passed unanimously.

### **APPROVAL OF MINUTES**

The draft minutes from the March 14, 2023, meeting were provided prior to the meeting. After review and discussion, a motion by Commissioner Cousineau (NV) seconded by Commissioner Judd (TN) was made to adopt the minutes. The motion passed unanimously.

### **FISCAL UNIT UPDATE**

The Budget Committee met with Clifton Larson Allen LLP – CLA representatives including Allison Slife and Kendall Haffner. They presented the FY2022 audit results as well as details of audit reports released by CLA. The auditors expressed an unmodified - clean opinion over the IMLCC FY2022 Financial Statements, stating that they were able to perform the required work on the statements provided by management and that the IMLCC financial statements were presented fairly in all material aspects. Financial statements were also found to be in compliance with US GAAP and statutory requirements.

- A motion by Judd (TN) seconded by Slaughter (DE) was made to approve the FY2022 audit reports as presented.
- The motion passed unanimously.

An update of the unaudited FY2023 April P&L financial documents was provided by Controller Blanco. A general discussion was held regarding the information provided. Revenue and expense numbers are within expectations and on budget, showing an overall positive position. The quorum had no questions or concerns related to the P&L.

## GENERAL DISCUSSION

The executive director provided an update on the savings bank diversification project, stating that the CD project is now finalized and implemented, and the summary is as follows:

- All IMLCC restricted reserve accounts are now in held by separate banks in the amounts that are fully protected by the Federal Deposit Insurance Corporation (FDIC) limits.
- The IMLCC now has four CD accounts, 2 of which will mature in a period of 12 months while the other two will mature in 18 months.
- These are investment/broker issued accounts which have features that differ from traditional, publicly available CDs.
  - The accounts are liquidated upon maturity and a new CD will need to be purchased, i.e., the CDs do not automatically roll-over; T
  - The accounts have “coupons” that are redeemed for interest payments earned on the CD. The interest payments are redeemed, and the funds placed in the IMLCC’s Money Market account. The interest is not re-invested into the CD.
- A new money market account is now open for IMLCC restricted reserve accounts. This account is a holding account where interest payments, additional restricted funds, and matured CD amounts will be held pending the purchase of additional CDs. The account provides the liquidity needed to make CD purchases, while also providing FDIC protection.
- All these transactions have been done under the supervision of the IMLCC treasurer.

IMLCC Rules – Chapter 3 Administrative Rule on Fees. The executive director explained the need for Chapter 3 rule changes. A general discussion was held on proposed changes. The committee requested that the executive director provide the proposed changes to the Rules & Administrative Committee for consideration of a rule change.

## COMMISSIONER COMMENTS

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 3:40 PM Eastern. The next meeting is scheduled for June 20<sup>th</sup> 2023 at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

**March 14, 2023**

## ATTENDEES

### COMMITTEE MEMBERS

Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Absent</b>
Commissioner (Chris) Andresen – CT	<b>Present</b>

Commissioner (Shauna) Slaughter – DE	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Present</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Present</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Present</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Absent</b>

**STAFF**

Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

**CALL TO ORDER**

The meeting was called to order by Commissioner Cleveland at approximately 3:01 PM Eastern

**ROLL CALL**

A quorum was established.

**APPROVAL OF AGENDA**

A draft meeting agenda was presented. A motion by Commissioner Koenig (KY) seconded by DeLeon- WA to adopt the agenda. The motion passed unanimously.

**APPROVAL OF MINUTES**

The draft minutes from the February 21, 2023, meeting was provided prior to the meeting. After review and discussion, a motion by Commissioner Veenis (SD) seconded by Commissioner Galbraith (WA) was made to adopt the minutes. The motion passed unanimously.

**FISCAL UNIT UPDATE**

The Transfer and Investment report was provided prior to the meeting. All bank transactions were done in accordance with committee instructions and an update on our monthly portfolio value was provided. An update of the FY2022 audit was also provided. CLA auditors will be submitting our audit package for quality reviews by the end of the current week, and we are expecting the final audit report by the end of the month.

An update of the unaudited FY2023 February P&L financial documents was provided by Controller Blanco. A general discussion was held regarding the provided information. The revenue and expense numbers are favorable to the budget, showing an overall positive position. The quorum had no questions or concerns related to the P&L.



## GENERAL DISCUSSION

The executive director provided an update on the savings bank diversification project, stating that all agreements with New York Life Brokers have been signed. The IMLCC will be investing over one million dollars in certificates of deposits in banks that are FDIC (Federal Deposit Insurance Corporation) insured. All money sitting in our restricted savings accounts will be moved to the investment account, leaving a balance of five hundred dollars (\$500.00) in each restricted account. New York Life will be negotiating the best interest rate on behalf of IMLCC with hopes of obtaining between 3% and 4% over the current certificate of deposit rates.

In addition, a general discussion was held on Commissioner Cleveland's question from our last meeting:

- Should the money sitting in our restricted accounts be transferred to our investment account (stock market), and is there a need for the IMLCC restricted accounts in the first place? Is there a need for an update or removal of the FDIC policy requirement? Commissioner Cleveland elaborated on these questions and the feedback was as follows:

In light of the recent bank-related events that the country has experienced (Silicon Valley Bank Collapse), it is in the best interest of the organization to keep our savings in FDIC insured banks in addition to maintaining FDIC-insured requirements for IMLCC bank activities.

The FY2024 budget file was submitted before the meeting. The executive director asked for a motion to approve the FY2024 executive director's expending authority of \$6,773,608.05. A motion by Commissioner Slaughter (DE) was seconded by Commissioner Koenig (KY) to approve the director's expending authority. The motion passed unanimously.

## COMMISSIONER COMMENTS

Commissioner Cleveland informed the committee about possible changes in our license applications process that could secure the financial future of the organization. These changes include adding ACH as a method of payment in addition to current available credit card options. He discussed how these changes can minimize credit card fees that IMLCC has incurred as part of daily operations, as well as how the addition of other methods of payment for licenses can enable savings in the future.

The executive director is currently exploring this idea with the technology committee and more information will be shared as soon as it becomes available.

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 3:40 PM Eastern. The next meeting is scheduled for April 18, 2023 at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

February 21, 2023

## ATTENDEES

### COMMITTEE MEMBERS

Commissioner (Kenneth) Cleveland- MS	Present
Commissioner (Nate) Brown – CO	Absent
Commissioner (Chris) Andresen – CT	Present

Commissioner (Shauna) Slaughter – DE	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Present</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Absent</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Absent</b>

#### **STAFF**

Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

#### **CALL TO ORDER**

The meeting was called to order by Commissioner Cleveland at approximately 3:01 PM Eastern

#### **ROLL CALL**

A quorum was established.

#### **APPROVAL OF AGENDA**

A draft meeting agenda was presented.

The agenda was approved by a unanimous vote.

#### **APPROVAL OF MINUTES**

The draft minutes from the January 17, 2023, meeting was provided prior to the meeting. No corrections were needed. A motion by Slaughter (DE) seconded by DeLeon- WA to adopt the amended minutes. The motion passed unanimously.

#### **FISCAL UNIT UPDATE**

The Transfer and Investment report was provided prior to the meeting. All bank transactions are in accordance with the committee instructions.

An update of the FY2022 audit was provided. Controller Blanco is meeting with CL auditors every week to discuss open items, provide support and answer questions. It is expected that the audit report will be provided by the auditors by the second week of March 2023.

An update of the unaudited FY2023 November P&L financial documents was provided by Controller Keyla Blanco. A general discussion was held of the information provided. The revenue and expense numbers are

within expectations and budget, showing an overall positive position. The quorum had no questions or concerns related to the P&L.

## GENERAL DISCUSSION

The bank diversification project was discussed. The executive director met with our investment management firm, New York Life Brokers, and learned about a process by which the money sitting in our restricted accounts (approx. 1,000,000.00) could be placed in a brokerage account that would be marketed to different banks. These banks would provide us with four or five Certificates of Deposit that would be FDIC (Federal Deposit Insurance Corporation) insured. The intention is to have at least one account maturing every quarter and to have the IMLCC staff monitoring the money attributable to each account. This process would comply with IMLCC policies with the intention of protecting restricted funds. In return, two (2) to four (4) percent more interest could be gained since New York Life Brokers is able to demand a larger interest rate. Due diligence is being exercised by New York Life Brokers, as they are ensuring that IMLCC is in compliance with the USA Patriot Act and other regulations. The process is ready to start.

Commissioner Cleveland emphasized that this process with the New York Life Brokers is a great short-term solution, but he is urging the rest of the committee members to ponder the following questions:

- What should we do with this \$1,000,000.00? Should the money sitting in our restricted accounts be transferred to our investment account (stock market), as it may benefit from better returns (more than what the CDs are offering)?
- Is there is a need for the IMLCC restricted accounts? Since these accounts were created at the begging of IMLCC operations and have served their purpose, do still need them?

FY2023 Budget Adjustments – The executive director provided an explanation for the FY2024 budget request. A general discussion was held on the budget file and how numbers flow from the budget file to the Profit and Loss statement, with specific examples. The director also elaborated on the usage of the revenue model and how it would be utilized for revenue and expense projections (best and worst scenario) In addition he elaborated on the total expending authority for FY2024.

The Final draft of the FY2024 budget will be presented at the March 2023 meeting.

## COMMISSIONER COMMENTS

No additional comments were made

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 3:40 PM Eastern. The next meeting is scheduled for April 18, 2023 at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

January 17, 2023

## ATTENDEES

### COMMITTEE MEMBERS

Commissioner (Kenneth) Cleveland- MS

Absent

Commissioner (Nate) Brown – CO	<b>Present</b>
Commissioner (Chris) Andresen – CT	<b>Present</b>
Commissioner (Shauna) Slaughter – DE	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Absent</b>
Commissioner (Suzanne) Veenis-SD	<b>Absent</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Present</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Present</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Absent</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Salas at approximately 3:02 PM Eastern	
<b>ROLL CALL</b>	
A quorum was established.	
<b>APPROVAL OF AGENDA</b>	
A draft meeting agenda was presented	
The agenda was approved by a unanimous vote.	

<b>APPROVAL OF MINUTES</b>
The draft minutes from the December 13, 2022, meeting was provided prior to the meeting. No corrections were needed. A motion by Slaughter (DE) seconded by DeLeon- WA to adopt the amended minutes. The motion passed unanimously.
<b>FISCAL UNIT UPDATE</b>
The Transfer and Investment report was provided prior to the meeting. All bank transactions are in accordance with the committee instructions.
The bank diversification project was discussed. The goal is to select up to 5 different banks to open Certificates of Deposit below the FDIC minimum. The IMLCC continues to search for banks that can satisfy this request.

An update of the FY2022 audit was provided. The accounting team continues to work with CLA auditors as they perform test on transactions and procedures over the next three weeks. Controller Blanco is meeting with CL auditors every week to discuss open items, provide support and answer questions. It is expected that the audit report will be provided by the auditors in early March 2023.

An update of the unaudited FY2023 November P&L financial documents was provided by Controller Keyla Blanco. A general discussion was held of the information provided. The revenue and expense numbers are within expectations and budget, showing an overall positive position. The quorum had no questions or concerns related to the P&L

**GENERAL DISCUSSION**

FY2023 Budget Adjustments – The executive director provided an explanation of the budget adjustment process for the current fiscal year and how it impacts the development of the FY2024 budget request. The Executive Director elaborated on how the adjustment process is within the executive director’s authority, but budget file is being provided to the committee for input or comments. He continued to explain that the intention of sharing the information is to provide a better background and a clearer picture to the committee as it prepares to exercise its authority over the approval of the FY2024 budget. A general discussion was held on the budget file and how numbers flow from the budget file to the Profit and Loss statement. He also elaborated on the usage of the revenue model and how it would be utilized for revenue and expense projections.

The first draft of the FY2024 budget will be presented at the February 2023 meeting.

**COMMISSIONER COMMENTS**

No additional comments were made

**ADJOURNMENT- NEXT MEETING**

The committee adjourned at 3:37 PM Eastern. The next meeting is scheduled for February 21, 2022 at 4:00 PM Eastern.

**IMLCC Budget Committee Meeting Notes**

**December 13, 2022**

**ATTENDEES**

**COMMITTEE MEMBERS**

Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Nate) Brown – CO	<b>Present</b>
Commissioner (Chris) Andresen – CT	<b>Present</b>
Commissioner (Shauna) Slaughter – DE	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>

Commissioner (Christine) Farrelly - MD	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Absent</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Absent</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>
Commissioner (Karen) Silas – AL – Ex-Officio Member	<b>Present</b>
Commissioner (Mark) Spangler – WV – Ex-Officio Member	<b>Present</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Cleveland at approximately 3:04 PM Eastern	
<b>ROLL CALL</b>	
A quorum was established.	
<b>APPROVAL OF AGENDA</b>	
A draft meeting agenda was presented	
The agenda was approved by a unanimous vote.	

<b>APPROVAL OF MINUTES</b>
The draft minutes from the November 7, 2022 meeting were provided prior to the meeting. No corrections were needed. A motion by Cleveland (MS) seconded by Andersen (CT) to adopt the amended minutes. The motion passed unanimously.
<b>FISCAL UNIT UPDATE</b>
The Transfer and Investment report was provided prior to the meeting. All bank transactions are in accordance with the committee instructions. The IMLCC Cash Transfer Workflow documentation was provided prior to the meeting and a general explanation by The Executive Director provided insight into the flow.
The bank diversification project was discussed. The goal is to select up to 5 different banks to open Certificates of Deposit below the FDIC minimum. The IMLCC continues to search for banks that can satisfy this request.
An update of the FY2022 audit was provided. The kickoff meeting took place on 12/01/2022 and the auditor’s work is scheduled to start on January 3 <sup>rd</sup> . It is expected that the audit report will be provided by the auditors in early March 2023.

An update of the unaudited FY2023 November P&L financial documents was provided by Controller Keyla Blanco. A general discussion was held of the information provided. The revenue and expense numbers are within expectations and budget, showing an overall positive position. The quorum had no questions or concerns related to the P&L

**GENERAL DISCUSSION**

FY2023 Budget Adjustments – December 2022 – The executive director provided an explanation of the budget adjustment process for the current fiscal year and how it impacts the development of the FY2024 budget request. He has been evaluating our current financial position in order to project expenses for the current fiscal year. The proposed expenses will be used to develop next year’s budget. The revenue model is being used to analyze future revenues.

This process is within the executive director’s authority, but is being provided to the committee for input and comments. The intention of sharing of the information and the process is to provide background and a clearer picture for the committee as it prepares to exercise its authority over the approval of the FY2024 budget.

The review of December expenses is now complete, showing a close amount to the expending authority that was granted for the current fiscal year. It doesn’t look like an increase of this year’s spending authority will be needed, in addition, numbers are projected to be favorable to the budget.

The first draft of the FY2024 budget will be presented at the January 2023 meeting.

**COMMISSIONER COMMENTS**

Reimbursements checks are currently handwritten. The executive director will be looking into efficiencies surrounding this item

**ADJOURNMENT- NEXT MEETING**

The committee adjourned at 3:39 PM Eastern. The next meeting is scheduled for January 16, 2022 at 4:00 PM Eastern.

**IMLCC Budget Committee Meeting Notes**

**November 07, 2022**

<b>ATTENDEES</b>	
<b>COMMITTEE MEMBERS</b>	
Commissioner (Karen) Silas – AL – Chair	<b>Present</b>
Commissioner (Donald) Leftkowitz – CO	<b>Absent</b>
Commissioner (Chris) Andresen – CT	<b>Absent</b>
Commissioner (Shauna) Slaughter – DE	<b>Present</b>

Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Stephanie) Loucka- OH	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Absent</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Present</b>
Commissioner (Lisa) Galbraith- WA	<b>Absent</b>
Commissioner (Christine) Farrelly – MD – Ex-officio Member	<b>Absent</b>
Commissioner (Mark) Spangler – WV – Ex-officio Member	<b>Absent</b>

**STAFF**

Marschall Smith, IMLCC Executive Director	<b>Absent</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

**CALL TO ORDER**

The meeting was called to order by Commissioner Silas at approximately 3:04 PM Eastern

**ROLL CALL**

A quorum was established.

**APPROVAL OF AGENDA**

A draft meeting agenda was presented

The agenda was approved by a unanimous vote.

**APPROVAL OF MINUTES**

The draft minutes from the October 18, 2022 meeting were provided prior to the meeting. No corrections were needed. A motion by Commissioner Silas (AL) seconded by Cleveland (MS) to adopt the amended minutes. The motion passed unanimously.

**FISCAL UNIT UPDATE**

The Transfer & Investment report was provided prior to the meeting. The activities are in accordance with committee instructions. A general discussion was held on the information provided.

The bank diversification project was discussed. The goal is to select up to 5 different banks to open Certificates of Deposit below the FDIC minimum. The IMLCC continues to search for banks that can satisfy this request.

An update on the preparation of financial report for the upcoming audit was provided. FY2022 audit start date has been re-established and is now scheduled for the week of December 1, 2022.



## GENERAL DISCUSSION

IMLCC Budget Committee Charge – A copy of the committee’s charge was provided prior to the meeting. A motion by Commissioner Silas (AL) seconded by Cleveland (MS) to include the Transfer & Investment report to the committee charge for commissioners to review.

December 13, 2022 Meeting - Commissioner Silas (AL) won’t be attending the meeting and it will be conducted by the new treasurer -to be elected at the annual conference.

2024 Budget Cycle – FY2024 Budget revisions will take place between January and March of 2023. Targeting the end of March for the approval of FY2024 budget draft.

An update of the unaudited FY2023 October P&L financial documents was provided by Controller Keyla Blanco. A general discussion was held of the information provided. The revenue and expense numbers are within expectations and budget, showing an overall positive position.

A general discussion was held of other investment opportunities for the compact.

Farewell was given to Commissioner Silas (AL) as she finishes her time as the chair of the IMLCC Budget Committee.

## COMMISSIONER COMMENTS

No additional comments were provided.

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 3:40 PM Eastern. The next meeting is scheduled for December 13, 2022 at 4:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

October 18, 2022

## ATTENDEES

### COMMITTEE MEMBERS

Commissioner (Karen) Silas – AL – Chair	Present
Commissioner (Donald) Leftkowitz – CO	Absent
Commissioner (Chris) Andresen – CT	Present
Commissioner (Shauna) Slaughter – DE	Present
Commissioner (Heidi) Koenig- KY	Present
Commissioner (Kenneth) Cleveland- MS	Present

Commissioner (Ed) Cousineau- NV	<b>Absent</b>
Commissioner (Stephanie) Loucka- OH	<b>Absent</b>
Commissioner (Suzanne) Veenis-SD	<b>Absent</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Present</b>
Commissioner (Lisa) Galbraith- WA	<b>Absent</b>
Commissioner (Christine) Farrelly – MD – Ex-officio Member	<b>Absent</b>
Commissioner (Mark) Spangler – WV – Ex-officio Member	<b>Absent</b>

**STAFF**

Marschall Smith, IMLCC Executive Director	<b>Present</b>
Keyla Blanco, IMLCC Controller	<b>Present</b>

**CALL TO ORDER**

The meeting was called to order by Commissioner Silas at approximately 3:04 PM Eastern

**ROLL CALL**

A quorum was established.

**APPROVAL OF AGENDA**

A draft meeting agenda was presented.

A motion by Commissioner Cleveland (MS), seconded by Commissioner deLeon (WA) to adopt the agenda. The motion passed unanimously.

**APPROVAL OF MINUTES**

The draft minutes from the September 20, 2022 meeting were provided prior to the meeting. After review and discussion, a spelling errors was corrected in the draft minutes. The change was accepted and the minutes finalized. A motion was made to adopt the minutes.

A motion by Commissioner Cleveland (MS), seconded by Commissioner Andresen (CT) to adopt the amended minutes. The motion passed unanimously.

**FISCAL UNIT UPDATE**

An update of the unaudited FY2023 September P&L financial documents was provided by Executive Director Smith. A general discussion was held of the information provided. The revenue and expense numbers are within expectations and budget, showing an overall positive position.

The Transfer & Investment report was provided prior to the meeting. A general discussion was held on the information provided. The activities are in accordance with committee instructions.

The bank diversification project was discussed. The goal is to select up to 5 different banks to open Certificates of Deposit below the FDIC minimum. The target date is end of December 2022.

The FY2022 audit start date has been re-established and is now scheduled for the week of December 1, 2022.

### GENERAL DISCUSSION

**November 7<sup>th</sup> Committee meeting** – The meeting is scheduled to start at 11:00 AM Eastern time, Monday, November 7, 2022 as part of the Annual Commissioner meeting in Gulf Shores, Alabama. Information about attending the meeting virtually is on the IMLCC webpage and will be provide to the committee members prior to the meeting along with a draft agenda.

**IMLCC Budget Committee Charge** – A copy of the committee’s charge was reviewed. It was last updated in November 2021. It will be reviewed again at the November 7<sup>th</sup> meeting.

### COMMISSIONER COMMENTS

No additional comments were provided.

### ADJOURNMENT- NEXT MEETING

The committee adjourned at 3:35 PM Eastern. The next meeting is scheduled for November 7, 2022 at 11:00 AM Eastern.

## IMLCC Budget Committee Meeting Notes September 20, 2022

### ATTENDEES

#### COMMITTEE MEMBERS

Commissioner (Karen) Silas - AL – Chair	Present
Commissioner (Donald) Leftkowitz- CO	Present
Commissioner (Heidi) Koenig- KY	Present
Commissioner (Kenneth) Cleveland- MS	Present
Commissioner (Ed) Cousineau- NV	Absent
Commissioner (Stephanie) Loucka- OH	Present
Commissioner (Suzanne) Veenis-SD	Present
Commissioner (Penny) Judd – TN	Present
Commissioner (Robert) Martinez – TX	Absent
Commissioner (Melanie) deLeon- WA	Absent

Commissioner (Lisa) Galbraith- WA	<b>Present</b>
Commissioner (Christine) Farrelly – MD – Ex-officio Member	<b>Absent</b>
Commissioner (Mark) Spangler – WV – Ex-officio Member	<b>Absent</b>
<b>STAFF</b>	
Marschall Smith, IMLCC Executive Director	<b>Present</b>
David Clark, IMLCC Operations Manager	<b>Present</b>
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Silas at approximately 3:03 PM Eastern	
<b>ROLL CALL</b>	
A quorum was established.	
<b>APPROVAL OF AGENDA</b>	
A draft meeting agenda was presented.	
A motion by Commissioner Cleveland (MS), seconded by Commissioner Lefkowitz (CO) to adopt the agenda. The motion passed unanimously.	

<b>APPROVAL OF MINUTES</b>
<p>The draft minutes from the August 16, 2022 meeting were provided prior to the meeting. After review and discussion, a motion was made to adopt the minutes.</p> <p>A motion by Commissioner Cleveland (MS), seconded by Commissioner Galbraith (WA) to adopt the amended minutes. The motion passed unanimously.</p>
<b>FISCAL UNIT UPDATE</b>
<p>An update of the unaudited FY2023 August P&amp;L financial documents was provided by Executive Director Smith. A general discussion was held of the information provided. The revenue and expense numbers are within expectations and budget, showing an overall positive position.</p> <p>The committee members requested that the position description and salary information for the Controller and bookkeeper position be provided to the committee members prior to the next meeting.</p> <p>The executive director provided an update on the status of finding a new Controller.</p>
<b>REVIEW of IMLC Policy #5</b> - There was discuss regarding how to best address the situation with funds defined in IMLC Policy #5 are being held at FDIC insured institutions, but the amount held is more than the FDIC insurance limits (currently \$250,000.00). The holding of funds more than the FDIC amount is counter to the purpose of the policy. After discussion, it was determined that the executive director would seek out

other FDIC insured banks with the intention of opening multiple accounts, thereby spreading the potential risk. Each committee member was encouraged to provide contact information for banks in their area that might be interested.

### COMMISSIONER COMMENTS

No additional comments were provided.

### ADJOURNMENT- NEXT MEETING

The committee adjourned at 3:44 PM Eastern. The next meeting is scheduled for October 18, 2022 at 3:00 PM Eastern.

## IMLCC Budget Committee Meeting Notes August 16, 2022

### ATTENDEES

#### COMMITTEE MEMBERS

Commissioner (Karen) Silas - AL – Chair	<b>Present</b>
Commissioner (Donald) Leftkowitz- CO	<b>Absent</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Stephanie) Loucka- OH	<b>Absent</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Robert) Martinez – TX	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Absent</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>

#### STAFF

Aime Steines, IMLCC Controller	<b>Present</b>
Marschall Smith, IMLCC Executive Director	<b>Present</b>

### CALL TO ORDER

The meeting was called to order by Commissioner Silas at approximately 4:07 PM Eastern

### ROLL CALL

A quorum was established.

### APPROVAL OF AGENDA

A draft meeting agenda was presented.

A motion by Commissioner Cleveland (MS), seconded by Commissioner Judd (TN) to adopt the agenda. The motion passed unanimously.

### **APPROVAL OF MINUTES**

The draft minutes from the July 19, 2022 meeting were provided prior to the meeting. After review and discussion, a motion was made to adopt the minutes.

A motion by Commissioner Galbraith (WA), seconded by Commissioner Cleveland (MS) to adopt the amended minutes. The motion passed unanimously.

### **FISCAL UNIT UPDATE**

An update of the unaudited FY2023 July P&L financial documents was provided by the Controller Steines. A general discussion was held of the information provided. The revenue and expense numbers are within expectations and budget.

Controller Steines discussed status of the reserve funds, unrestricted savings accounts, interest earnings, and investment earnings. For FY2022, the investment portfolio is anticipated to show an Unrealized Loss of \$154,164 for the Fair Market Value (FMV) report on the FY2022 balance sheet.

Work on the FY2023 audit has been delayed and expected to ramp up in late August/early September.

The Ohio board went live on August 2<sup>nd</sup> and volume of applications and license requests has shown a marked increase.

The Committee asked to review IMLC Policy #5 at a future meeting.

The Enhanced Physician Portal RFP bid process has closed.

The committee reviewed an option to convert the current restricted savings accounts to Certificates of Deposit (CD). The current interest rate on the savings accounts is 0.02%. A 12-month CD is earning 2.00%. The Executive Director requested permission from the committee to convert the savings accounts in December 2022.

A motion by Commissioner Cleveland, seconded by Commissioner Veenis, to authorize the Executive Director to convert the Restricted Savings Accounts to Certificates of Deposits at the appropriate time and ensuring compliance with the requirements Of IMLC Policy #5 – Policy on Reserve Funds. The motion passed unanimously.

The committee members asked to move the start time of future meetings to 3:00 PM Eastern – effective with the September meeting.

### **COMMISSIONER COMMENTS**

There were no additional commissioner comments.

## ADJOURNMENT- NEXT MEETING

The committee adjourned at 4:27PM Eastern. The next meeting is scheduled for September 20, 2022 at 3:00 PM Eastern.

# IMLCC Budget Committee Meeting Notes

JULY 19, 2022

Time: 3:00 P.M. (CT)

## ATTENDEES

### COMMITTEE MEMBERS

Commissioner (Karen) Silas - AL – Chair	Present
Commissioner (Donald) Leftkowitz- CO	Absent
Commissioner (Heidi) Koenig- KY	Present
Commissioner (Kenneth) Cleveland- MS	Present
Commissioner (Ed) Cousineau- NV	Absent
Commissioner (Stephanie) Loucka- OH	Present
Commissioner (Suzanne) Veenis-SD	Present
Commissioner (Penny) Judd – TN	Absent
Commissioner (Robert) Martinez – TX	Absent
Commissioner (Melanie) deLeon- WA	Present
Commissioner (Lisa) Galbraith- WA	Absent

### STAFF

Aime Steines, IMLCC Controller	Present
Marschall Smith, IMLCC Executive Director	Present

### OTHERS PRESENT

## CALL TO ORDER

The meeting was called to order by Commissioner Silas at approximately 4:03 PM Eastern

## ROLL CALL

A quorum was established

## APPROVAL OF AGENDA

A draft meeting agenda was presented. Commissioner Cleveland (MS) made a motion to accept the agenda, seconded by Commissioner Loucka (OH). The motion passed unanimously.

### **APPROVAL OF MINUTES**

The draft minutes from the May 10, 2022 meeting were provided prior to the meeting. After review, the draft minutes were amended. Commissioner Cleveland (MS) made a motion to adopted the amended minutes, seconded by Commissioner deLeon (WA). The motion passed unanimously.

### **FINANCIAL REPORT**

A update of the unaudited FY2022 financial report for FY 2022 was provided by the Controller, Aime Steines, along with a review of the draft FY2022 P&L statement. A general discussion was held during the review of the preliminary revenues, expenses, assets & liabilities numbers. A preliminary review indicated that gross revenues were more than 30% and net revenues were more than 20% over budget. Expenses were 8% under budget.

The executive director provided an update on progress toward preparing for the FY2022 Audit. It is anticipated that the audit will begin in August 2022, with an anticipated report in December 2022.

The executive director provided an update of the Investment Portfolio and how the numbers will be reported on the audit.

Commissioner Cleveland requested that a report be developed and shared with the Committee at every meeting showing the Inter-Account transfers, along with the Investment Portfolio transactions. The report will be developed by staff and provided at the next committee meeting.

The Revenue Model will be tested in September to determine reliability. The model's projections will be compared to the actual revenues. The results of the testing will be provided to the Committee once completed.

### **COMMISSIONER COMMENTS**

There were no additional commissioner comments.

### **ADJOURNMENT- NEXT MEETING**

The committee adjourned at 4:26 PM Eastern. The next meeting is scheduled for August 16, 2022 at 4:00pm Eastern.

## **IMLCC Budget Committee Meeting Minutes MAY 10, 2022**

**Time:** 3:00 P.M. (CT)

### **ATTENDEES**



<b>COMMITTEE MEMBERS</b>	
Commissioner (Karen) Silas - AL – Chair	<b>Present</b>
Commissioner (Donald) Leftkowitz- CO	<b>Absent</b>
Commissioner (Heidi) Koenig- KY	<b>Absent</b>
Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Ed) Cousineau- NV	<b>Present</b>
Commissioner (Stephanie) Loucka- OH	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Present</b>
Commissioner (Melanie) deLeon- WA	<b>Present</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>
<b>STAFF</b>	
Todd Mata, CPA, IMLCC Controller	<b>Present</b>
Marschall Smith, IMLCC Executive Director	<b>Present</b>
<b>OTHERS PRESENT</b>	

**CALL TO ORDER**  
The meeting was called to order by Commissioner Silas at approximately 3:00 P.M., CT

**ROLL CALL**  
The commissioners indicated above Commissioners were present for the meeting.

**APPROVAL OF AGENDA**  
The meeting agenda was presented by Todd Mata. Commissioner Cleveland made a motion to accept the agenda and Commissioner Judd seconded the motion.

**APPROVAL OF MINUTES**  
The Minutes from the April 12, 2022 Budget Committee meeting were approved by a motion from Commissioner Cleveland and the motion was seconded by Commissioner Galbraith.

**FY 2022 FINANCIAL REPORT**  
A financial report for FY 2022 was given by Todd Mata. The report included revenues, expenses, assets & liabilities of the IMLC with updates with April 2022 operating results. Physician Fee Revenues for the month of April continue to increase significantly, year-over-year, with the States of Texas and Delaware joining the Compact.

**PROPOSED OPERATING CASH FUNDS STRUCTURE**

A proposed Transfers of Available Cash Plan including suggested balances was presented for review and discussion by the committee. A motion was made by Commissioner Cleveland with a second by Commissioner Judd to adopt this plan and review it again in 1 year.

**COMMISSIONER COMMENTS**

There were no additional commissioner comments.

**ADJOURNMENT- NEXT MEETING**

The committee adjourned at 3:40 p.m. (CT) The next meeting will be held on June 14, 2022 at 3:00pm (CT).

**IMLCC Budget Committee Meeting Minutes**

**APRIL 12, 2022**

**Time: 3:00 P.M. (CT)**

**ATTENDEES**

**COMMITTEE MEMBERS**

Commissioner (Karen) Silas - AL – Chair	<b>Present</b>
Commissioner (Donald) Leftkowitz- CO	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Present</b>
Commissioner (Kenneth) Cleveland- MS	<b>Present</b>
Commissioner (Ed) Cousineau- NV	<b>Absent</b>
Commissioner (Stephanie) Loucka- OH	<b>Present</b>
Commissioner (Suzanne) Veenis-SD	<b>Present</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Melanie) deLeon- WA	<b>Present</b>
Commissioner (Lisa) Galbraith- WA	<b>Absent</b>

**STAFF**

Todd Mata, CPA, IMLCC Controller	<b>Present</b>
Marschall Smith, IMLCC Executive Director	<b>Present</b>

**OTHERS PRESENT**

**CALL TO ORDER**

The meeting was called to order by Commissioner Silas at approximately 3:00 P.M., CT

**ROLL CALL**

The commissioners indicated above were present for the meeting.

#### **APPROVAL OF AGENDA**

The meeting agenda was presented by Todd Mata.

#### **APPROVAL OF MINUTES**

The Minutes from the March 15, 2022 Budget Committee meeting were approved by Commissioner Silas.

#### **FY 2022 FINANCIAL REPORT**

A financial report for FY 2022 was given by Todd Mata. The report included revenues, expenses, assets & liabilities of the IMLC with updates with March 2022 operating results. YTD net operating expenses are very close to the amounts budgeted for. Physician Fee Revenues for the month of March increased significantly with the States of Texas and Delaware joining the Compact.

#### **PRICING STUDY FOLLOW-UP QUESTION**

Marschall Smith and Todd Mata responded to a question that came up at the March 2022 Budget Committee meeting regarding the use of active and inactive physicians in the calculation of the expected penetration rate in the Pricing Study that was completed by CLA. No further questions on this point were asked.

#### **INVESTMENT PORTFOLIO DISCUSSION**

Marschall Smith and Todd Mata provided an update on the YTD financial performance of the IMLC investment portfolio. A request was made to prepare an internal memorandum outlining the timing and process for making periodic transfers of additional funds to the investment portfolio. Staff will have a draft memorandum for discussion at the May Budget Committee meeting.

#### **COMMISSIONER COMMENTS**

There were no additional commissioner comments.

#### **ADJOURNMENT- NEXT MEETING**

The committee adjourned at 4:03 p.m. (CT) The next meeting will be held on May 10, 2022 at 3:00pm (CT).

## **IMLCC Budget Committee Meeting Minutes**

**MARCH 15, 2022**

**Time: 3:00 P.M. (CT)**

#### **ATTENDEES**

#### **COMMITTEE MEMBERS**

Commissioner (Karen) Silas - AL – Chair	Present
Commissioner (Donald) Leftkowitz- CO	Present
Commissioner (Heidi) Koenig- KY	Absent
Commissioner (Kenneth) Cleveland- MS	Absent
Commissioner (Ed) Cousineau- NV	Present
Commissioner (Stephanie) Loucka- OH	Present
Commissioner (Suzanne) Veenis-SD	Absent
Commissioner (Penny) Judd – TN	Present
Commissioner (Angela) Lawrence- TN	Absent
Commissioner (Melanie) deLeon- WA	Present
Commissioner (Lisa) Galbraith- WA	Present
<b>STAFF</b>	
Todd Mata, CPA, IMLCC Controller	Present
Marschall Smith, IMLCC Executive Director	Present
<b>OTHERS PRESENT</b>	

**CALL TO ORDER**

The meeting was called to order by Commissioner Silas at approximately 3:00 P.M., CT

**ROLL CALL**

The commissioners indicated above were present for the meeting.

**APPROVAL OF AGENDA**

The meeting agenda was presented by Todd Mata. Motion to approve agenda was made by Commissioner DeLeon and seconded by Commissioner Cousineau.

**APPROVAL OF MINUTES**

A motion to approve the Minutes from the February 15, 2022 Budget Committee meeting was made by Commissioner Loucka and the motion was seconded by Commissioner DeLeon.

**FY 2022 FINANCIAL REPORT**

A financial report for FY 2022 was given by Todd Mata. The report included revenues, expenses, assets & liabilities of the IMLC with updates from February 2022 operating results. Net operating results YTD are very close to the budgeted revenues and expenses.

**FY 2021 AUDIT DISCUSSION**

A motion was made to accept the FY2021 Audit and related findings with no additional comments by Commissioner Cousineau. This motion was seconded by Commissioner DeLeon.

**FY 2023 BUDGET DRAFT**

The Executive Director completed a discussion on the proposed FY 2023 Budget. A motion was made to accept the FY 2023 budget and recommend it be approved by the executive committee by Commissioner Leftkowitz. The motion was seconded by Commissioner Cousineau.

**COMMISSIONER COMMENTS**

There were no additional commissioner comments.

**ADJOURNMENT- NEXT MEETING**

The committee adjourned at 3:35 p.m. (CT) The next meeting will be on April 12, 2022 at 3:00pm (CT).

## IMLCC Budget Committee Meeting Minutes

FEBRUARY 15, 2022

Time: 3:00 P.M. (CT)

**ATTENDEES****COMMITTEE MEMBERS**

Commissioner (Karen) Silas - AL – Chair	<b>Present</b>
Commissioner (Donald) Leftkowitz- CO	<b>Present</b>
Commissioner (Heidi) Koenig- KY	<b>Present</b>
Commissioner (Kenneth) Cleveland- MS	<b>Absent</b>
Commissioner (Ed) Cousineau- NV	<b>Absent</b>
Commissioner (Stephanie) Loucka- OH	<b>Absent</b>
Commissioner (Suzanne) Veenis-SD	<b>Absent</b>
Commissioner (Penny) Judd – TN	<b>Absent</b>
Commissioner (Angela) Lawrence- TN	<b>Present</b>
Commissioner (Melanie) deLeon- WA	<b>Absent</b>
Commissioner (Lisa) Galbraith- WA	<b>Present</b>

**STAFF**

Todd Mata, CPA, IMLCC Controller	<b>Present</b>
Marschall Smith, IMLCC Executive Director	<b>Present</b>

**OTHERS PRESENT**

Allison Slife- CLA	
Kendall Haffner- CLA	

Stephanie Curry- CLA	
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Silas at approximately 3:00 P.M., CT	
<b>ROLL CALL</b>	
The commissioners indicated above were present for the meeting.	
<b>APPROVAL OF AGENDA</b>	
The meeting agenda was presented by Todd Mata. Motion to approve agenda was made by Commissioner Galbraith and seconded by Commissioner Koenig.	
<b>APPROVAL OF MINUTES</b>	
Minutes from the November 15th committee day meeting and January 18, 2022 Budget Committee meeting were approved.	
<b>FY 2022 FINANCIAL REPORT</b>	
A financial report for FY 2022 was given by Todd Mata. The report included revenues, expenses, assets & liabilities of the IMLC with updates from January 2022 operating results.	
<b>FY 2021 AUDIT DISCUSSION</b>	
CLA Auditors discussed the audited financial statements for the FY 2021 financial audit. A recommendation must be made by the next Budget Committee meeting for the FY 2021 financial audit to be accepted without comments, accepted with comments or rejected. IMLC Staff will send out an electronic poll to all Budget Committee members for their recommendation.	
<b>FY 2023 BUDGET DRAFT</b>	
The Executive Director completed a discussion on the proposed FY 2023 Budget. A recommendation must be made at the next budget committee meeting for the executive committee to accept the FY 2023 budget.	
<b>CLA PRICING STUDY DISCUSSION</b>	
The results of the 2022 CLA pricing study were discussed. Based on the results of this study, the most likely scenario of existing revenue and expense projections using historical data from the FSMB and IMLC indicates that the fee pricing structure for the IMLC is not excessive and allows for a reasonable amount of surplus operating funds for the IMLC.	
<b>COMMISSIONER COMMENTS</b>	
There were no additional commissioner comments.	
<b>ADJOURNMENT- NEXT MEETING</b>	
The committee adjourned at 4:14 p.m. (CT) The next meeting will be on March 15, 2022 at 3:00pm (CT).	

# IMLCC Budget Committee Meeting Minutes

January 18, 2022

Time: 3:00 P.M. (CT)

<b>ATTENDEES</b>	
<b>COMMITTEE MEMBERS</b>	
Commissioner (Karen) Silas - AL - Chair	Present
Commissioner (Mark) Spangler – WV	Present
Commissioner (Christine) Farrelly – MD	Absent
Commissioner (Donald) Leftkowitz- CO	Present
Commissioner (Heidi) Koenig- KY	Present
Commissioner (Kenneth) Cleveland- MS	Present
Commissioner (Ed) Cousineau- NV	Absent
Commissioner (Stephanie) Loucka- OH	Present
Commissioner (Suzanne) Veenis-SD	Absent
Commissioner (Penny) Judd - TN	Present
Commissioner (Angela) Lawrence- TN	Present
Commissioner (Melanie) deLeon- WA	Present
Commissioner (Lisa) Galbraith- WA	Present
<b>STAFF</b>	
Todd Mata, CPA, IMLCC Controller	Present
Marschall Smith, IMLCC Executive Director	Present
<b>CALL TO ORDER</b>	
The meeting was called to order by Commissioner Silas at approximately 3:00 P.M., CT	
<b>ROLL CALL</b>	
The commissioners indicated above were present for the meeting.	
<b>APPROVAL OF AGENDA</b>	
The meeting agenda was presented by Todd Mata. Motion to approve agenda was made by Commissioner Koenig, seconded by Commissioner Loucka.	
<b>BUDGET COMMITTEE CHARGES</b>	
The committee approved proposed changes to the current budget committee charges to include incorporating the appropriate sections of the audit committee charges.	

## APPROVAL OF MINUTES FROM NOVEMBER 15, 2021 MEETING

Minutes from the November 15th committee day meeting will be available for approval at the February 15th Committee Meeting.

### **PROJECTS - STATUS REPORT**

Updates were received from staff on all current projects including an IMLC fee study, FY 2021 audit, the pro's and cons of changing credit card processors and the proposed draft of a staff travel policy. Comments were received from committee members regarding the staff travel policy and will be considered by the Executive Committee.

### **FY 2022 FINANCIAL REPORT**

A financial report for FY 2022 was given by the Controller. The report included revenues, expenses, assets & liabilities of the IMLC for the months of November, December and YTD.

### **FY 2023 BUDGET DRAFT**

The Executive Director discussed the propose draft FY 2023 budget. This discussion included expected revenues, expenses, assets and liabilities of the IMLC. A final recommendation on this budget will be made by the Budget Committee at the next Budget Committee meeting.

### **COMMISSIONER COMMENTS**

There were no additional commissioner comments.

### **ADJOURNMENT- NEXT MEETING**

The committee adjourned at 4:20 p.m. (CT) The next meeting will be on February 15, 2022 at 3:00pm (CT).

## **BUDGET COMMITTEE MEETING OCTOBER 12, 2021 - NOTES**

Commissioners Present: Farrelly, Silas, Lefkowitz, Cleveland, Judd, deLeon

### **AGENDA**

1. Discuss September and YTD P&L results.
2. Status update on FY2021 financial audit (Did not cover).
4. Status update on IMLCC Pricing study.
5. Status update on comparative analysis for credit card processing services (Stripe vs, competitors).
6. Identify finance & accounting discussion items to cover at the Annual Meeting in November.

### **TECHNOLOGY SPEND MEMO**

Executive Director addressed the memo he plans include as part of the IMLCC November Commission meeting agenda requesting:

1. An Increased FY2022 Spending Authority, and
2. Authorization to expend funds from the restricted Reserve Fund.



Commissioner de Leon and Judd requested that the memo include a discussion of what items and issues have been raised by state board members and staff regarding needed enhancements to the CRM system. The memo should also include a definition of the some of the included acronyms (SPL, LOQ, etc.). We also need to mention that the IMLCC has the funds to purchase the Gold option. Commissioners Lefkowitz and Cleveland support the Gold option for the system enhancements.

**P&L DISCUSSION**

A discussion of variances of Budget versus Actuals for FY22 was had for the following items:

1. Legal and professional services – most of the legal expenses budgeted for the year are expected to be incurred in the first quarter of FY22. This is an anomaly of having these costs annualized for budget purposes.
3. Administrative Services Contractor - this was higher than budgeted because temporary-to-hire contractors are paid for through Express Employment Services. Once contactors accrue 720 hours of work with IMLCC, an offer of employment may be extended to this contractor. Express also does all the vetting of these candidates for this process.
4. Wages & Salaries – this was lower than budgeted since hiring candidates are temporary employees for over 3 months. They do not receive wages from the IMLCC until then.
5. Office Supplies & Equipment – this actual expense is higher than budgeted because all new employees and contractors need computers, monitors and desks.
6. Conference Expenses – Most of these expenses are expected to incurred in 1st and 2nd quarter of FY22.

This application activity analysis shows the impact that renewals have on the profit margins for the IMLCC. With higher percentages of renewals occurring now, the margin of profit decreases because the IMLCC only makes \$25/renewal transaction.

FY2022	Sept	YTD	
Revenues	\$1,096,698.60	\$3,037,679.70	
Less: Refunds	-\$38,836.40	-\$87,704.10	
Net Profit	\$1,057,862.20	\$2,949,975.60	
Fees Paid to Board	\$896,275.10	\$2,429,789.20	
Earned by IMLCC	\$161,587.10	\$520,186.40	
Profit Margin	15%	18%	
Stripe Fees	\$32,362.20	\$89,441.72	
		<b>SEPTEMBER</b>	
		1,360	# of Licenses Applied for (# of Initials + Additional)
		380	# of LOQ Applications
		234	#of Additional Applications (# of \$100 Payments)
		1,981	# of Renewal Applications
		<b>AUGUST</b>	
		11,56	# of Licenses Applied for (# of Initials + Additional)

		426	# of LOQ Applications
		213	# of Additional Applications (# of \$100 payments)
		447	# of Renewal Applications

FY 2022

SEPT YTD Revenues \$ 1,096,698.60 \$ 3,037,679.70 less: Refunds \$ (38,836.40) \$ (87,704.10) Net Profit \$ 1,057,862.20 \$ 2,949,975.60 Fees Paid to Board \$ 896,275.10 \$ 2,429,789.20 Earned by IMLCC \$ 161,587.10 \$ 520,186.40 Profit Margin Stripe Fees 15% \$ 32,362.20 18% \$ 89,441.72 \$ 520,186.40 SEPTEMBER 1,360.00 # OF LICENSES APPLIED FOR (# OF ADDITIONALS + INITIALS) 380.00 # OF LOQ APPLICATIONS 234.00 # OF ADDITIONAL APPLICATIONS (# OF \$100 PAYMENTS) 1,981.00 # OF RENEWAL APPLICATIONS AUGUST 1156 # OF LICENSES APPLIED FOR (# OF ADDITIONALS + INITIALS) 426 # OF LOQ APPLICATIONS 213 # OF ADDITIONAL APPLICATIONS (# OF \$100 PAYMENTS) 447 # OF RENEWAL APPLICATIONS

STATUS UPDATE ON FINANCIAL AUDIT FOR FY 21 (Not Covered on Call)

1. All financial information has been entered into our accounting system.
2. We have preliminary financial statements prepared
3. We are completing an analysis of all internal controls. This is a much bigger task in FY21 since this year we went from 0 employees in 2020 to 7 employees in 2021, 2 office locations and greater infrastructure costs and investments. Payroll and employee issues in particular are areas in which CLA is expected to focus considering time reviewing since the tax and employee liabilities are typically a critical area for most companies.
4. We are also addressing issues raised in FY20 audit regarding the separation and segregation of duties related to the recording, reviewing and payment of expenses.
5. Overall, we're about 4 weeks from having all information ready to hand over to CLA.

PRICING STUDY STATUS UPDATE

1. IMLCC is engaged CLA to provide data analytics consulting services.
2. The expectation is that based on information they are obtaining from the FSMB and our internal application fees and application information, they should be able to complete a detailed revenue analysis will first help us to confirm the reasonableness of the IMLCC pricing structure for application services. Then it is expected that the analytical structures that CLA is developing will help us to better forecast revenues from the difference service offerings into the future. For example, we are seeing a trend in our application data that indicates a significant drop off in net income for months that are more heavily weighed to renewal activities rather than those months which have a more even distribution of LOQs, renewal and license applications.
3. IMLCC will host status update calls with CLA every two weeks starting Friday Oct. 8
4. IMLCC working with FSMB to provide physician population and licensing information by state, for CLA to include in their study. There is a data protection agreement between our organizations.

CREDIT CARD PROCESSING FEE COMPARISON

Earlier this year IMLCC contacted credit card processing vendors to compare processing fees costs relative to our current vendor Stripe. In order to utilize real data for the comparative analysis, IMLCC applied the proposed processing fees to 6 months of actual data. Here are the results of that analysis:

	<b>Dr Payments</b>	<b>Stripe Fees</b>	<b>Elavon Fees</b>	<b>Heartland Fees</b>
Fees	\$5,158,695.70	\$152,193.88	\$117,398.25	\$104,715.84
Savings \$			\$34,795.63	\$47,478.04
Savings %			23%	31%

## 2021 ANNUAL MEETING

As part of the preparation for the Committee Day discussion and budget committee presentation, Todd will prepare a listing of possible discussion topics and send them to the other committee members for comments and additions.