

# First State Military Academy Board Meeting

17 December 2019

Moment of Silence - Quorum present, meeting called to order @ 1736

**Board Members Present:** S. Kidner; B Newman, L Stapleford, J Berg, K Yencer, V Watson, C Martin, H Reigle, R Capitan,

**Staff/Founding Committee Members:** Special Guest: Junior Achievement Presentation by FSMA Cadets.

Motion to Approve Agenda, 2nd, Passed 9 to 0

Presentation by our JA students on the creation, development, and fundraising efforts for a new FSMA Alumni Foundation. Discussion about their next steps and what is needed from the Board - they are seeking approximately \$320 to support the initial costs of development and management of the program. Discussion held until "Organizational" portion of the Agenda.

Motion to break for ten minutes for dinner at 1755, 2<sup>nd</sup> Passed 9 to 0.

Motion to return to regular agenda at 1810, 2<sup>nd</sup> Passed 9 to 0.

**Secretary's Report:** Minutes presented for 19 November 2019. Motion to Approve minutes, 2nd, Passed 9 to 0.

**Public Comments:** None

**Treasurer's Report:**

WSFS banking statements for Nov '19 presented. Report shows deposit of one year's worth of interest/principal payment to USDA. Reviewed bank fees that were charged as a result of insufficient funds in October. Reviewed expenditures that include three pays to USDA and one to Board's website administrator.

**Finance Report:** Presented by Commandant Gallucci. Spending is about 42% of proposed FY'20 budget. Revenues are based on "30 Sept Count" of 452 Cadets. Revenues continue to increase - estimate of \$4.4mm for FY'20. Revenues from the Districts are about 47.97% to date. Noted bulk of district monies will deposit in December. Transportation dollars tracking as budgeted. Discussion of expenditures including USDA payment, and LEA grant spending.

Discussion about the recent DOE Financial Performance Framework report and the differences between the Audit conducted by Barbacane and Thorton verses what DOE reported. While the Audit revealed NO deficiencies, fraud, or irregularities, nor any material weaknesses as it relates to our accounting, collection, internal controls, or distribution of the school's financial resources, there are noted weaknesses in Debt to Asset ratio and Total Margin. FSMA is aware these two areas will remain as "Falling Below Standard" until our debt issues are paid in full to the USDA. However, DOE notes in their report that in section 1a - FSMA "Falls

Below Standard”, and in section 1d - “Falls Below Standard”, yet the Audit shows “Approaching Standard” and “Meets Standard” respectively.

Further discussion about the Board’s response to the DOE report, whether this needs to be addressed on the Board’s website, along with other considerations of the potential impact of this report when it gets published by DOE. Reviewed our Consultant’s report as to the discrepancies along with Mr. Tim Sawyer’s (Auditor) attached email response.

Reviewed Web Report - Discussed some concerns with “9. Other Expenses” as to why so large. Reported this line also includes summer encumbrances.

Motion to accept Web Report, 2<sup>nd</sup> passed 9 to 0.

**CBOC:** S. Kidner. Acting Chair- Reported meeting held on 21 November '19. Noted number of changes to the detailed budget report to reflect new codes and updated spending.

**Commandants Report:** Report Attached. Current enrollment at 452 Cadets. Discussion about 2<sup>nd</sup> Open House on 7 Dec.: Overall, good turnout with no advertisement. Next date will be 4 Jan '20. All dates are Saturday morning at 0900.

No appointments or resignations.

SMI Col. Bob Wallace reviewed coming events. First Drill Competition at Snow Hill - FSMA took 2<sup>nd</sup> Place Overall. State Raider Championships on Dec 7<sup>th</sup>, once again FSMA dominates and takes State Title. USNA Midshipman visit held on Dec 2<sup>nd</sup> - went very well. Formation Run on 20 Dec before Christmas Break.

Commandant noted the U od D Climate Survey is out and participation rates - need more parents to respond.

#### **Committee Reports:**

**Academic:** Chair Blair Newman. Report attached. Discussed Winter Sports - Basketball team has won 3 games so far this year. Provided a report of the Seniors post-graduation plans, noted a number of Norwich selections.

**Communication/Marketing/Enrollment:** Chair Leslie S. No Report attached. Discussed the Senior Snapshot and provided at Open House event. Board’s website updated. Discussion about communicating with the press if and when a call may occur.

**H/R (Open):** This committee shall be discontinued until call of the Chair.

**Facilities:** Chair Kevin Y. Continued discussion about Farmhouse. Reviewed the Staff’s position of #3 Option - to level building, create a parking lot, and build a larger structure for sports and storage. Discussed timing, phases and potential costs. Kevin Y will secure hard numbers for parking lot. FSMA will seek Clayton Fire Department to use structure for training purposes.

Motion to proceed with Option #3, 2<sup>nd</sup> passed 9 to 0.

Reggie C briefly discussed the EP Henry project. Still working to have crush/base donated. Hope to start this January. Wants more recognition for EP Henry once this begins - maybe a "ground-breaking".

**Organizational Issues:**

Discussion of the JA presentation. Board will support a total of \$500 with the following conditions - The 10% of money raised will be given to a Delaware focused Veteran's organization, and two; the Cadets will brief the Board in February.

Reminder about Blue Earl Staff Christmas Party on Friday 20 Dec at 4:30 PM.

Discussed getting the Board by-laws rewritten to reflect current practice. Jim B will Chair with Verity W, Reggie C, and Chris M all members of the group. Draft changes will be submitted in February.

**Closing Remarks** None

Regular meeting adjourned at 1949.

**Next Meeting:** 28 January 2020, 1730, St. Michael's Hall.