



## South Dakota High School Activities Association

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### FINANCE ADVISORY COMMITTEE MEETING WEDNESDAY, MAY 2<sup>ND</sup> 2018 10:30 AM, SDHSAA OFFICE- PIERRE, SD

A meeting of the SDHSAA Financial Advisory Committee was held at the SDHSAA Office in Pierre, SD at 10:30 AM CST on MAY 2, 2018.

Committee members present were:

Steve Morford Mark Naugle Sherrie Kafka Darla Mayer Adam Shaw

Committee Members Dr. Jeff Danielsen, Bud Postma, and Sandy Klatt participated via telephone.

Committee members absent were Chuck Wilson.

SDHSAA staff present included Dan Swartos, Executive Director and Isaac Jahn, Finance Director

The meeting was called to order by Dan Swartos at 10:42 AM. Roll was taken and a quorum was established. The meeting began with the Pledge of Allegiance.

#### **Approve Agenda**

Motion by Mark Naugle, second by Steve Morford, to approve the agenda. Motion carried 8-0.

#### **Introduction of Committee Members**

Dan Swartos led an introduction of committee members. These members include SDHSAA Board Members Bud Postma (Madison), Steve Morford (Spearfish), and Sandy Klatt (Brandon Valley), Superintendents Dr. Jeff Danielsen (Watertown) and Mark Naugle (Custer), Athletic/Activity Directors Chuck Wilson (Todd County) and Sherrie Kafka (Gregory), Secondary Principal Adam Shaw (Madison), and Business Manager Darla Mayer (Pierre). It was noted that next year the committee will need to replace Sherrie Kafka and Bud Postma due to retirements.

#### **Approval of Minutes**

Motion by Adam Shaw, second by Mark Naugle, to approve the August 3rd, 2017 minutes of the Finance Advisory Committee. Motion carried 8-0

#### **SDHSAA- Serving Students Since 1905**

Board Chairperson – Mr. Bud Postma

Assistant Director – Ms. Jo Auch

Assistant Director – Mr. Brooks Bowman

Executive Director – Dr. Daniel Swartos

Assistant Director – Mr. John Krogstrand

Finance Director – Mr. Isaac Jahn

### **Review of the SDHSAA Foundation and Corporate Contracts**

Dan Swartos discussed the happenings pertaining to the SDHSAA Foundation since August. This included the separation of entities between the SDHSAA and SDHSAA Foundation, the SDHSAA Foundation obtaining its own Tax ID#, checking account, and post office box, the continuation of all corporate sponsor funds to the general fund through FY 18, and the development of a benefit structure for corporate sponsors and foundation donors that was approved through the SDHSAA Board of Directors.

One corporate partner has decided to move their contributions to the SDHSAA Foundation moving forward. A new corporate partner to replace the one that moved has tentatively been secured. The SDHSAA anticipates to receive the same amount of corporate sponsor contributions in FY 19 as it did in FY 18.

### **Review of Current Budget and Proposed FY19 Budget**

Dr. Swartos presented the committee with financial information regarding the invoicing of SDHSAA dues (\$0.30/student 9-12, with a minimum of \$30 and maximum of \$300 per school) and postage/subscription fees (\$125 per school) to help balance the SDHSAA budget.

He also reviewed the financial impact of increasing the per activity fee of \$60 by \$10 to \$70 per activity to help balance the SDHSAA budget. The last per activity increase was implemented five years ago in FY13. With 28 activities offered, the maximum increase of this would be \$280 for a school that offered every available SDHSAA sport and fine arts activity.

Both of these items were recommended for implementation by Dr. Swartos. Superintendents and Business Managers were notified of this by Dr. Swartos several months ago so they could plan budgets accordingly.

SDHSAA Finance Director Isaac Jahn reviewed the FY 18 budget and year to date actuals with the committee and reviewed a proposed FY19 budget.

### **Review of 2017-18 Sub-State and YTD State financials**

Dr. Swartos and Isaac Jahn reviewed the sub-state financials from 2017-18 and reviewed state event financials to date from the 2017-18 school year. Extensive discussion ensued regarding development of standardized allowable amounts in region events regarding administrative/supervision pay, committee expenses, and hospitality fees due to the extreme discrepancies by region in these areas.

### **Review of Officials Pay**

Dr. Swartos and Isaac Jahn reviewed current rates and suggested changes to officials pay for FY19. Bud Postma spoke in favor of implementing a procedure to review officials pay every year and to regularly raise officials pay to keep up with outside wages.

**Recommendations to the SDHSAA Board of Directors**

Following discussions and reviews of financials, Dr. Swartos opened the floor up for action on recommendations to the SDHSAA Board of Directors

- It was moved by Dr. Jeff Danielsen, second by Mark Naugle, to use up to \$35,000 in reserve funds for one-time retirement expenses in lieu of increasing the per-activity fee by \$10 per activity for FY 19.
  - Motion carried 8-0.
- It was moved by Sherrie Kafka, second by Mark Naugle, to assess dues of \$0.30/student, with a minimum of \$30 and maximum of \$300 per school, and to assess a postage/subscription fee of \$125 per school for FY19.
  - Motion carried 7-1, with Dr. Jeff Danielsen dissenting.

**Adjournment**

Having no further business for the committee, it was moved by Adam Shaw, seconded by Mark Naugle, to adjourn the meeting. Motion carried 8-0 and the meeting was adjourned at 12:49 PM.

Respectfully Submitted,



Dr. Daniel Swartos  
Executive Director