



Board of Directors – Public Hearing FY 2020 Budget
Davidson Town Hall
216 South Main Street
Davidson, NC 28036

June 27, 2019

A. Public Hearing Minutes

Board Members Present: Larson Jaenicke, Jamie Justice, Robert Guth, Brad Davis, Ryan Rase, Mark McDowell, Steven Miller and Brett Ellis (on the phone). Other attendees: Sean Wilbur, Vicki Casey and Nola Perkins.

1. Call to Order/Quorum

Mr. Jaenicke called the roll at approximately 6:30 pm, determined that a quorum of the Board was present and called to order the Public Hearing on the Fiscal Year 2020 Continuum Budget, a true and correct copy of which is attached hereto as Exhibit 1 (the "2020 Budget").

2. Discussion of Continuum's Proposed Fiscal Year 2020 Budget

Mr. Wilbur gave an overview of the proposed Fiscal Year ("FY") 2020 Budget. Mr. Wilbur stated the total revenue was projected to be \$22,534,381. The category Costs of Goods Sold, which is primarily programing costs, is projected to be \$8,466,507, thereby yielding a Gross Profit of \$14,067,874. The category Operating Expenses totals \$7,097,680 which consists of Facility Based Expense of \$5,797,670, Marketing Expense of \$542,700 and Administration Expense of \$757,310. Therefore, EBIDA is projected to be \$6,970,194. The Debt Service for FY 2020 for the two Towns is budgeted at \$6,442,160, and Continuum's Capital Expenditures are budgeted to be \$3,350,000. Therefore, the Towns' contribution to Capital for debt service is budgeted at \$3,592,206. After Mr. Wilbur concluded his presentation, no Board member had any questions.

3. Public Comments

Mr. Jaenicke next opened the hearing for public comments on the FY 2020 Budget. Since no members of the public were present, there were no public comments. Mr. Jaenicke then closed the Public Hearing on the 2020 Budget.

B. Board of Directors Meeting Minutes

1. Call to Order

Mr. Jaenicke called the roll at approximately 6:36 pm and determined that a quorum of the Board was present since the same Board Members who were present for the Public Hearing were present for the Board meeting. Mr. Jaenicke then called the Board of Directors Meeting to order.

2. Approval of the April 25, 2019 Open Meeting minutes

Mr. Jaenicke stated that each of the Board members had previously received and had the opportunity to review the Minutes for the April 25, 2019 Board Meeting. He asked if anyone had any additional comments, changes or

modifications to those Minutes. None were noted. Mr. Jaenicke then requested a motion to approve the April 25, 2019 Board Minutes. Mr. Justice made the requested Motion, which was seconded by Mr. Davis. The Motion Approving the April 25, 2019 Board Minutes was passed unanimously.

3. Approval of the May 18, 2019 Closed Meeting minutes

Mr. Jaenicke next stated that each of the Board members had previously received and had the opportunity to review the Closed Session Minutes for the May 18, 2019 Board Meeting. He asked if anyone had any additional comments, changes or modifications to those Minutes. None were noted. Mr. Jaenicke then requested a motion to approve the May 18, 2019 Board Minutes. Mr. Davis made the requested Motion, which was seconded by Mr. Miller. The Motion approving the May 18, 2019 Closed Board Minutes was passed unanimously.

4. Approval of the proposed FY2020 Budget

Mr. Jaenicke stated the next item of the Meeting's agenda was the discussion and approval of the Proposed Continuum's FY 2020 Budget, a copy of which is attached as Exhibit 2 (the "Proposed 2020 Budget"). Mr. Jaenicke explained that the Proposed FY 2020 Budget is the same as what was previously presented during the Public Hearing but in a slightly different format with greater detail. Mr. Wilbur then recapped the Proposed FY 2020 Budget, stating that Operating Revenues were projected at \$22,534,381 and Operating Expenses were projected at \$19,684,427, thereby netting an Operating Income of \$2,849,954, the amount of Continuum's projected 2020 contribution to the Towns' debt. Since the total debt payment is projected at \$6,442,160, the Towns' 2020 contribution in FY 2020 to the debt payment is projected at \$3,592,206.

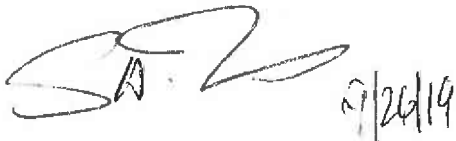
After Mr. Wilbur's presentation, Mr. Jaenicke asked if there were any questions regarding the Proposed 2020 Budget. None were noted. Mr. Jaenicke then asked for a motion to approve the 2020 Budget. The Motion to Approve the Proposed 2020 Budget was made by Mr. Davis and seconded by Mr. Guth. The Motion was passed unanimously.

5. Roundtable Board discussion

Mr. Jaenicke then opened up the discussion for members of the Board to address questions or comments. None were made.

6. Adjournment

Mr. Jaenicke requested a Motion to adjourn the Meeting. A Motion to Adjourn the Meeting was made by Mr. Miller and seconded by Mr. Guth. The Motion passed unanimously. The meeting adjourned at 6:45 pm.



Handwritten signature and date: SA 5/26/19

Exhibit 1

CONTINUUM

Proposed 2020 Budget

Total Revenue	\$	22,534,381
Cost of Goods Sold		8,466,507
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Gross Profit		14,067,874
Operating Expenses:		
Facility Based Expense		5,797,670
Marketing Expense		542,700
Administration		757,310
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		7,097,680
Earnings Before Interest, Depreciation and Amortization		6,970,194
Debt Service		6,442,160
Capital Expenditures		3,350,000
Non-recurring Expenditures		770,240
Town's Contribution to Capital		3,592,206
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REVENUE OVER (UNDER) EXPENDITURES	\$	-