



Financial Oversight Committee Meeting

1829 Denver West Dr., Building 27
Golden, CO 80401

Meeting Minutes September 7, 2016

Financial Oversight Committee

Members Present:

Brian Ballard
Gordon Calahan
Mary Everson
Chris Johnson
Scott Tarbox
Bob West

Staff Present:

Dan McMinimee, Superintendent
Kathleen Askelson, Chief Financial Officer
Stephanie Corbo, Finance Director
Steve Bell, Chief Operating Officer
Nicole Stewart, Budget & Analysis Manager
Suzi Thompson, Treasury & Analysis Manager

Committee Members and Staff Absent:

Mike Bestor

Independent Auditor and Other:

Paul Niedermuller CliftonLarsonAllen, LLP

Approval of April 6, May 2 and August 3, 2016, Minutes: Bob West moved to approve the minutes from April 6, May 2 and August 3 as presented. Gordon Calahan seconded. The motion carried unanimously.

Election - Chair: Scott Tarbox nominated Brian Ballard for Chair. Chris Johnson seconded. Calahan moved to close nominations and West seconded. The motion carried and Ballard was elected chair by unanimous vote of the committee.

Cash Forecast: Kathleen Askelson advised that based on current cash flow projections, staff does not anticipate needing a line of credit to cover cash flow needs in the spring. Staff will continue to monitor the situation, and should the situation change will plan to use a line of credit from the same institution as previous years in order to take advantage of the lower upfront costs.

Financial Policy/Charter Annual Review: Askelson reviewed the annual meeting schedule, planning calendar of topics for discussion and the district policies governing the committee. There was discussion regarding the planning calendar. Following discussion there were no changes, however, it was noted that topics could be added as needed going forward.

2017/2018 Budget Development Process: Nicole Stewart discussed the timeline for development of the 2017/2018 budget. Askelson commented on the state funding outlook noting that the late forecast from the state in June did not look positive.

Stewart commented on Budgeting for Outcomes (BFO) and noted that a pilot group of departments participated in the BFO budgeting model for 2016/2017 but that it will be fully launched for 2017/2018. She reported that the district was accepted into the second wave of school districts participating in the Government Finance Officers Association Alliance for Excellence in School Budgeting program. Benefits for Jeffco include access to resources, hands-on training and an opportunity for networking and dialogue with other school districts and those with first-hand knowledge of the program. Stewart pointed out that a major outcome for the district will be to better align the budget with Jeffco's 2020 vision. Finance and

academic staff will attend a conference in October to kick off training for the second wave of program participants. Costs for participation will be offset by GFOA.

There was discussion regarding the community engagement plan. Askelson noted that staff is in the planning phase but anticipates using the same company to offer a similar opportunity for participation by accountability groups and citizens but with more input and time to build out the content.

Also discussed was whether schools have seen more flexibility with their budgets at the school level. Suzi Thompson noted that in the first year of student based budgeting (SBB) many schools continued with the same approach to budgeting as in previous years but that in the second year of SBB, schools budgeted with more focus on the needs of their specific school population. She provided the example that some schools chose to purchase additional mental health support while others focused on smaller classrooms with fewer PERAs. Thompson clarified that even with SBB, schools must continue to work with school accountability committees as part of budgeting process.

Bond Issue: Askelson summarized the background on the bond and mill levy override issue and noted that the Board of Education approved ballot language at the August 2, 2016, meeting. She noted that a link on the district's website includes all pertinent documents and that background information can be found on BoardDocs.

There was discussion regarding the proposed bond and mill levy override proposal on the 2016 ballot. In earlier meetings this year the FOC recommended to the Board to pursue a bond issue to support the Master Facilities Plan. Though the FOC did not have the opportunity to review the specific bond and mill levy proposal prior to Board approval due to meeting schedule conflicts the FOC does support the proposal. There was further discussion regarding the flexibility of meeting times so the FOC could analyze future proposals and provide the Board feedback before the Board votes on such matters.

With regard to a question about the dollar amount of the bond and mill levy override package, Steve Bell commented on the total as it compares to previous asks based on an analysis of present value. He noted that given the inflationary costs of construction for the type of facilities the district builds and maintains the \$535 million amount is very similar to the historic bond amounts requested in 1992, 1997, 2004 and 2008. Bell advised that the plan assumes a 6 to 7 year cycle.

Bell noted that should the bond issue move forward that the committee in its oversight role will have an opportunity to review debt structure. Also discussed was citizen and business community reaction to the bond and mill levy override package.

Johnson made a motion that by this statement the Financial Oversight Committee stands behind and supports the Board of Education's decision to propose a \$535 million bond and \$33 million mill levy override package. Ballard seconded. The motion carried with five ayes (Ballard, Calahan, Johnson, Tarbox and West) and one abstention (Everson).

Gordon Calahan encouraged committee members to show additional support for the bond and mill levy override by writing letters to the editor of local publications.

Wrap Up and Next Meetings: Tarbox advised that the next FOC meeting is Wednesday, October 5.

The meeting was adjourned at 12:30 p.m.