



Financial Oversight Committee Meeting

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

Meeting Minutes March 1, 2017

Financial Oversight Committee

Members Present:

Brian Ballard
Mike Bestor
Gordon Calahan
Mary Everson
Chris Johnson
Scott Tarbox

Staff Present:

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:

Dan McMinimee, Superintendent
Bob West

Independent Auditor and Other:

Paul Niedermuller, CliftonLarsonAllen, LLP
Brad Rupert, Board of Education Member

Approval of February 8, 2017, Minutes: Gordon Callahan moved to approve the minutes from February 8, 2017. Mary Everson seconded. The motion carried unanimously.

Meeting Schedule for 2017/2018: Following discussion, the decision was made to change the meeting day from first Wednesdays to first Tuesdays beginning with the August 2017 meeting.

2017/2018 Budget Development Update: Kathleen Askelson reported on the community engagement activity that was conducted to gather feedback on budget priorities for developing the 2017/2018 budget including the community interactive budget tool exercise and the budget tool exercise specific to school accountability committees. She provided a quick overview of the 5,000 plus responses and reported that the full report of results will be published on the district's website and presented to the Board on March 23. Highlights included support for compensation, increase in building and facility use fees, and some school closures.

There was discussion regarding outreach to the community and gaining a better understanding of who district stakeholders are and how to reach beyond community members with children and grandchildren in schools. One suggestion was to allow budget tool users to check more than one category when identifying which groups are participating.

Askelson also reported on the Board's telephone town hall meetings. There was discussion regarding the format, reach, lack of opportunity for dialog, and ability to connect with the audience at the telephone town hall meetings.

The committee discussed the salary grid, steps and levels, market adjustments, flight risk, and unknowns in looking at compensation in surrounding districts that passed mill levy overrides. Also discussed were comments heard in the community about loss of funding through student based budgeting (SBB); staff clarified that loss of funding was due to loss of enrollment and that the budget team is working with

principals to make adjustments. Also mentioned were positive comments heard from schools about how SBB funding has been of value to them in shaping programs at their schools.

Further discussion regarding the reductions and reallocations touched on utility costs, custodial reductions, future considerations of mill levy overrides, the status of PERA, and how to educate voters about the possibility of future cuts if state funding does not increase.

The committee commented on school modeling trends and transitioning from old cottage school model to larger school model, gaining credibility with voters, making tough choices today to assure sustainability into the future, addressing pockets of growth and decline, planning for a future bond issue, and funding for facilities models that address achievement.

The committee will continue discussion about the role of FOC and how the committee can assist with closing the credibility gap and providing support publicly for Board direction and decisions.

Askelson summarized initial direction from the Board at the February 9 Board of Education meeting with regard to approved and deferred reductions and reallocations. The Board directed that \$6.7 million of the Cabinet recommended reductions and reallocations be deferred. Askelson reviewed four funding scenarios that staff is considering for development of the 2017/2018 budget from “no new funding” to “no reductions needed.”

Askelson provided an update on the status of negotiations with JCEA and JESPA and shared direction from the Board that is guiding the negotiating teams. She noted that the focus is on negotiating compensation contingent on state funding. Askelson also clarified that the recommended reductions were deep cuts phased originally to keep away from mission critical student support and SBB as much as possible; however, she clarified that if the funding situation changes next year, it is likely the district will be considering cuts in those areas next year.

There was discussion about how to help stakeholders understand what a critical cut is or what a tradeoff means, possibly by visually showing the tradeoff for choosing one thing over another.

An update on the 2017/2018 budget timeline was covered. Askelson noted that staff will present a budget update at the March 23 Board of Education meeting and will be requesting board direction to begin building the proposed budget for the public hearing on April 20. She clarified that the Financial Oversight Committee can provide advice to the Board prior to the March 23, 2017, BOE meeting as well as prior to the April 20 public hearing.

Facilities Update: Steve Bell clarified that the Facilities Master Plan is a foundational document and forward blueprint to manage the district’s plant. He confirmed that the district is moving forward on the plan while focusing on moving to a 6-8 model where possible and re-prioritizing resources due to the failure of 3A and 3B. Bell reported that the Board-approved closure of Pleasant View Elementary School at the end of the 2016/2017 school year as well as the move of Longview to McClain and that closure of Peck, Stober, Swanson and Pennington Elementary Schools is not being considered for 2017/2018. In addition, staff is moving forward with initial planning for four middle school additions. There was discussion about the lead time for the additions and new schools, cost and effectiveness of the 6-8 model, use of reserves, projects that impact growth in the north, and the status of sale and repurposing of school sites.

Audit Committee Update: Askelson reported on highlights of the February 13, 2017, Audit Committee meeting including review of the Second Quarter Financial Report for 2016/2017 and independent audit

report, semi-annual review of internal auditing activities, and overview of grants audits by Kay Bridges, the district's Compliance and Assurance Manager.

Wrap Up: The committee requested that items for discussion in April include use of reserves and the committee's role in community outreach.

The meeting was adjourned at 1:25 p.m.