



Financial Oversight Committee Meeting

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

Meeting Minutes April 5, 2017

Financial Oversight Committee

Members Present:

Brian Ballard
Mike Bestor
Mary Everson
Chris Johnson
Scott Tarbox
Bob West

Staff Present:

Terry Elliott, Interim Superintendent
Kathleen Askelson, Chief Financial Officer
Stephanie Corbo, Finance Director
Steve Bell, Chief Operating Officer
Nicole Stewart, Budget & Analysis Manager

Committee Members and Staff Absent:

Gordon Calahan

Independent Auditor and Other:

Paul Niedermuller, CliftonLarsonAllen, LLP

Approval of March 1, 2017, Minutes: Scott Tarbox moved to approve the minutes from March 1, 2017. Chris Johnson seconded. The motion carried unanimously.

Insight Investment–Investment Management Program Review: Mary Donovan, portfolio manager with Insight Investment, stepped through the portfolio review report. Highlights covered included market environment, economic indicators, interest rate fluctuations, comparison annualized returns, portfolio size and duration, rates of return, performance versus benchmark, portfolio diversification and maturity distribution, opportunities for reinvestment, GASB 40 risk metrics and disclosures.

2017/2018 Budget Development Update, Negotiations and Hiring Update: Kathleen Askelson presented a budget update that included the timeline, an overview of the community engagement process and results, state economic update, status of the negative factor, probable scenarios for state funding, reserves balance and projections, and staff recommendations for adopting the district’s budget prior to adoption of the state budget.

There was discussion regarding community outreach and telephone town hall meetings, compensation and PERA, and district time and expense invested on direction for less than 1 percent of the district’s total budget.

Askelson reviewed the status of negotiations. She reported that the district reached a tentative agreement with JCEA that includes .5 percent PERA mandated PERA contribution, steps and levels for teachers, and a 2 percent COLA with a contingency that if funding from the state does not cover the full 2 percent, the district will cover up to 1 percent with reserves. In addition, the district agreed to cover the cost of the medical premium increase. She pointed out that JCAA is a non-formal agreement that mirrors JCEA and that JESPA is still in negotiations. Askelson confirmed that JCEA will not be formally ratifying the agreement until after the April 20 BOE meeting.

There was discussion regarding the PERA break out of AED and SAED, clarification on the COLA double cap, and considerations for how the district pays teachers for years of service.

Use of Reserves: Askelson discussed the status of reserves balances and the potential use of reserves to fund the middle school additions at Drake and Dunstan to facilitate the K-5/6-8 model. Steve Bell discussed the rationale for prioritizing middle school additions at Drake, Dunstan, Ken Caryl and Creighton as integral to transitioning to the 6-8 model. Bell reviewed capacities, costs, funding needs and timelines.

There was discussion regarding the spend down of reserves to fund critical needs, bond funding for further facility needs, use of reserves for on-going versus one-time needs, the outlook for K-12 funding from the state, use of reserves for short-term priorities to facilitate long-term strategies as outlined in the master plan, other strategies to meet capacity needs.

Following discussion Mike Bestor moved to communicate to the Board of Education that the FOC supports the staff recommendation to fund up to 1 percent of the COLA increase, using reserves if necessary, in the event state funding falls short of providing the budgeted 2 percent increase. The committee also supports the use of reserves, to a level no lower than 8 percent, for capital expansion projects necessary to support the 6-8 school model as a strategy to provide some immediate relief to the district's serious capacity problems. Bob West seconded. The motion carried unanimously.

Committee Role and Strategic Mission: This item was tabled for discussion at the May meeting.

Wrap Up: Askelson advised that at the May meeting, staff will present information on the Budgeting for Outcomes process and Student Based Budgeting model and factors. She announced that the district issued a request for qualifications (RFQ) for a firm to assist the district with school closures/consolidation policy and procedures. Mike Bestor agreed to participate in the evaluation process for the RFQ. Terry Elliott provided an update on the superintendent hiring process.

The meeting was adjourned at 1:20 p.m.