



Financial Oversight Committee Meeting

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

Meeting Minutes May 3, 2017

Financial Oversight Committee

Members Present:

Mike Bestor
Gordon Calahan
Mary Everson
Scott Tarbox
Bob West

Committee Members and Staff Absent:

Brian Ballard
Chris Johnson

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

Independent Auditor and Other:

Paul Niedermuller, CliftonLarsonAllen, LLP

Approval of Minutes: Bob West moved to approve the minutes from April 5, 2017. Gordon Callahan seconded. The motion carried unanimously.

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

Third Quarter Financial Report: Paul Niedermuller reviewed the agreed-upon-procedures report for the third quarter ending March 31, 2017. Noted items were the need for supplemental appropriations for the current year due to spending timing and the yellow flag status for Rocky Mountain Academy of Evergreen that warrants continued monitoring of their budget and projected enrollment to assure financial sustainability. Niedermuller commended the district for having the best quarterly financial report in the state, based on his experience, due to the exhaustive nature of detail provided and management review of the report that is second to none.

Stephanie Corbo provided a detailed review of the report. Highlights included an update on cash which is adequate and trending historically normal; confirmation that a line of credit was not needed prior to receipt of property tax revenue in the spring; General Fund revenues which are lower than prior year due to state equalization and enrollment decline and shifts to charter schools; and expenditures in the General Fund lower than anticipated resulting in underspend that will help reduce planned spend down of reserves. Corbo advised that the Capital Reserve Fund, Building Fund, Campus Activity Fund and Child Care Fund will require supplemental appropriations for 2016/2017. Other highlights included revenue lower than prior year for the Grants Fund due to grants ending and timing of charges, revenues lower than prior year for the Transportation Fund due to less funding from the state and increased expenditures due to increased compensation and benefits for bus drivers; a change for the Food Service Fund from Enterprise to Special Revenue Fund in 2017/2018; adjustments to central services copy program costs; and expenditure savings in the Technology Fund due to a partnering opportunity.

Corbo reported that Great Work Montessori School met conditional approval and that all charter schools ended the quarter with positive cash balances. She noted that the district will continue to

monitor enrollment at Rocky Mountain Academy of Evergreen (RMAE) to assure their budget remains viable.

Askelson reviewed issues on the radar including status of new buildings, completion of lead testing, an increase to the employer paid benefits, and changes to program offerings for employee benefits in 2017/2018.

2017/2018 Proposed Budget, Negotiations Update and Middle School Funding Update: Askelson stepped through the presentation on the 2017/2018 proposed budget that was presented to the Board at the April 20, 2017, Board of Education meeting that covered the timeline, state funding estimates, updates on all funds, total organizational appropriations, and recommendations and final steps for adoption. Also covered was the presentation for the May 4, 2017, Board of Education meeting that included a revised timeline for budget adoption, revised estimated funding from the state pending adoption of state budget, net revenue and expenditure changes for Jeffco's General Fund, and additional budget recommendations from Cabinet.

Askelson confirmed that JCEA and JESPA concluded negotiations for a compensation package and advised that approval by the employee organizations and the Board is anticipated to be final in early May. The presentation highlighted key points in the compensation agreements.

There was discussion regarding the Cabinet recommendations, reallocations and reductions, the district's commitment to Student Based Budgeting for schools and the Budgeting for Outcomes model for departments that includes justifications for budget requests, measurable goals, and 3-5 year business plans.

Summary of Findings and Enrollment Projections Report Overview: Tim Reed presented an overview of the 2016/2017 Enrollment Projections and Summary of Findings reports. Key highlights in the Enrollment Projections report were a look at enrollment trends and projections, enrollment trends by articulation area, and building permits and housing trends. For the Summary of Findings, Reed covered an overview of the district's land holdings, building area, replacement and deficiency values, district-wide historic tracking of facilities based on the facility condition index (FCI), a summary of closures/relocations/utilization, building age, renovation costs by priority, and an assessment of building system priorities.

Askelson clarified that Facilities uses head count for the enrollment projections report and that finance uses funded counts which is why variances look smaller than those presented in the Facilities report.

There was discussion regarding growth, capacity, and closures and status of buildings.

Wrap Up and Next Meetings: Askelson updated the committee on the supplemental appropriations for middle school funding for Dunstan and Drake that are available on BoardDocs to be discussed at the May 4 Board of Education meeting. Terry Elliott provided an update on the status of the superintendent hiring. There was discussion regarding presentation of Third Quarter Financial Report at the June Board of Education meeting, timing for adoption of the budget, and the agenda for the June 7 Financial Oversight Committee meeting.

The meeting was adjourned at 1:30 p.m.