



Financial Oversight Committee Meeting

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

Meeting Minutes August 1, 2017 – 10:00 a.m.

Financial Oversight Committee (FOC)

Members Present:

Brian Ballard
Mike Bestor
Gordon Calahan
Chris Johnson
Scott Tarbox

Staff Present:

Dr. Jason Glass, Superintendent
Kathleen Askelson, Chief Financial Officer
Stephanie Corbo, Finance Director
Steve Bell, Chief Operating Officer
Nicole Stewart, Budget & Treasury Director
Tom McDermott, Education Leadership Program Resident, Superintendent's Office
Kristin Funston, Budget Analyst

Committee Members and Staff Absent:

Mary Everson
Bob West

Independent Auditor and Other:

Paul Niedermuller, CliftonLarsonAllen, LLP

Approval of Minutes: It was moved and seconded to approve the minutes from June 7, 2017. The motion carried unanimously.

Election of Chair: The motion by Scott Tarbox to reappoint Brian Ballard as chair was seconded and approved unanimously.

Committee Role and Strategic Mission/Annual Planning Calendar: Ballard reviewed the annual planning calendar and noted that in an effort to confirm whether the committee is offering value and insight to the Board, items were cross referenced to previous direction from the Board with regard to role and responsibilities. There was discussion regarding past recommendations on reserves, the expertise of committee members, the need for proactive communication surrounding Board decisions, credibility of the committee in the community, availability of committee members for community outreach, committee dialogue with the Board,

There was discussion regarding the communication process to the community about SBB and BFO. Specifically, the committee would like to create a positive message about student based budgeting (SBB) and budgeting for outcomes (BFO) to help the community understand what these programs are, what the district is doing with them, and what that means to them. Communications could include regular communication in Chalk Talk, connections with employers and other community that don't have children in schools. Other suggestions were to utilize the Communications department to put together key points from the committee to the community on a monthly basis at a broader level, provide introductions of committee members with a different focus every month based on a time table set by the committee. The committee would like to focus on educating members of the community to understand they are stakeholders in the district.

2017/2018 Budget Update and Discussion of 2018/2019 Budget Development Process: Askelson reported that the adopted budget is posted on the website. She noted that finance and budget staff met with new principals to provide training. Staff will report back on budget increases from 2016/2017 and the use and outcomes from those increases. With regard to the 2018/2019 budget process, Askelson

does not expect a lot of changes. As a result of the legislation that passed on mill levy override sharing, her team is exploring modeling options. There was discussion around the 100 percent share that charter schools currently receive, how charters pay for special options like SPED and ELL, and changes in legislation that allow districts to retain 5 percent. Askelson confirmed that Golden View Classical Academy is out of Jeffco's system.

Askelson reported that the district incurred about \$6 million from hail damage and as a result, expect that insurance rates will go up. Steve Bell confirmed that transportation had damage to over 200 vehicles. There was discussion regarding paying in cash or self-insuring.

Facilities Update: Bell provided an update on Three Creeks K-8 and Phase II of Sierra. He confirmed that projects were completed and occupancy granted in July. Other highlights included opening enrollment of 350 at Three Creeks K-6 with a current capacity of 800 and 550 at Sierra with full capacity at 768. Project build costs, not including fixtures, furniture and other equipment, were \$27.5 million for Three Creeks and \$12.6 million for Sierra Phase II.

Bell reported that the district currently has three properties for sale including Zerger Elementary School site which closed in 2012 and is currently leased to Doral; the former Sobesky school at 20th and Hoyt Street which is vacant and for sale; and the Pleasant View Elementary School site that closed in July, is vacant and currently for sale with lots of interest. Askelson confirmed that any proceeds from sales will go to the capital fund.

Moody's Update: Askelson discussed the issuer comment from Moody's that was distributed with the meeting packet. She noted that the report was favorable to the district and covered a few highlights, including the district's high quality credit position; the Aa2 rating which slightly exceeds the median rating of Aa3 for U.S. school districts; notable credit factors for the district—robust financial position, expansive tax base, strong socioeconomic profile and an outsized pension burden with an extremely small debt liability; and surplus operating margins demonstrating strong financial management. There was discussion regarding communication of the good news and staff will include as one of the topics in the Chalk Talk article for Financial Oversight Committee.

There was brief discussion regarding PERA and the 2017 results. Askelson commented that it is possible there will be further legislation introduced during the next legislative cycle.

State Financial Transparency Website: Askelson demonstrated the capabilities of the state's financial transparency website. The demonstration included a high-level look at the district's information and more specific glance at financials and how they compare to others schools and districts. She noted that the numbers differ from the Comprehensive Annual Financial Report but are validated and that there are some discrepancies when making comparisons to other districts due to variations in the accounting treatments used by districts.

Wrap Up and Next Meetings: Askelson confirmed that the next FOC meeting is September 5. Topics to be covered include cash forecast, additional budget update, and follow-up on the communication piece.

There was additional discussion on communication of FOC's plan to the Board, attendance at FOC by board members and presentation of a prepared statement by FOC during quarterly reviews at Board study sessions. Ballard will coordinate with staff to write the article for *Chalk Talk*.

The meeting was adjourned at 11:10 a.m.