



## ***Financial Oversight Committee Meeting***

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

### **Meeting Minutes**

**June 4, 2019 – 10:00 a.m.**

#### **Financial Oversight Committee (FOC)**

##### **Members Present:**

Brian Ballard  
Mike Bestor  
Gordon Calahan  
Scott Tarbox

##### **Committee Members and Staff Absent:**

Mary Everson  
Dr. Jason Glass, Superintendent

##### **Staff Present:**

Kathleen Askelson, Chief Financial Officer  
Steve Bell, Chief Operating Officer  
Nicole Stewart, Director, Budget and Treasury  
Stephanie Corbo, Director, Finance  
Debbie Rainguet, Exec. Assist. to CFO

##### **Independent Auditor and Other:**

Dylan Garrison, CliftonLarsonAllen, LLP

**Welcome and Introductions:** Brian Ballard declared a quorum.

**Approval of the Minutes:** Mike Bestor moved to approve the minutes for May 7, 2019. Gordon Callahan seconded. The motion carried unanimously, and the minutes were approved as presented.

**Budget and Negotiations Update:** Kathleen Askelson presented information on the adoption of the 2019/2020 Budget to be shared with the Board of Education (BOE) at the June 6, 2019, meeting. The presentation detailed two scenarios – (Option 1) revisions to the proposed budget presented in May that incorporate direction from the Board including compensation placeholders with a .67 percent COLA as well as revenue changes to account for the additional state funding for full day kindergarten and student success Tier B support, a \$4.5M spend down of reserves, and elimination of kindergarten fees; and (Option 2) an alternate revision that includes the above revisions as well as a compensation placeholder with a 1.5 percent COLA instead of the .67 percent and recommendations for funding the compensation increases that would include a spend down of unassigned reserves.

Askelson discussed the process used to identify estimated underspend from the current fiscal year and the risks of using one-year solutions for funding compensation from revenue sources that are affected by the economy, such as specific ownership tax and interest, which are typically volatile.

There was discussion regarding district reserves and recommended best practice. Askelson noted that any spend down would keep the district at the lower end of the recommended range. She pointed out that if reserves are spent down, the district would need to commit to rebuilding reserves levels.

Askelson noted that despite which option the Board may adopt, JESPA has a tentative agreement and JCEA has not reached an agreement thus negotiations are ongoing. There was discussion regarding the scope of negotiations for each association. One caveat of the JESPA tentative agreement is that they will get the same COLA as JCEA to be paid retroactive in the fall. Askelson pointed out that JCEA is not negotiating the full contract but rather pay and other pieces such as educator evaluations, front loaded leave, dues payments, class size and case load, and time management to allow for collaboration. Initial requests were for a 10 percent COLA; the Board approved a .67 at the May meeting. The district counter offered 1.5 percent and JCEA dropped their request to 5 percent. No agreement has been reached and negotiations

will resume in August. There was further discussion of percentages and feasibilities being made in comparison with other districts and the variances that exist that do not allow for an apples to apples comparison.

Askelson and Steve Bell commented on the realities that funding a large, on-going compensation increase and confirmed that the district would have to make reductions to find the funds. They stressed that funding on-going expenses for compensation would not be sustainable with existing funding or reserves. Askelson advised that underspend amounts won't be available until year-end is finished. She anticipates that the district will have to do a budget revision once negotiations is complete.

**Status of Bond Proceeds Investment:** Askelson updated the committee on the status of placing bond proceeds with Insight Investment. She noted that staff is working with Insight to set up the custody accounts and identify investments that satisfy cash flow needs.

**Planning Calendar:** A draft calendar of potential discussion topics was distributed and will be discussed as part of the committee planning in the fall.

**FOC Conclusions/Recommendations:** The committee approved the conclusion/recommendation document to be submitted to the Board of Education acknowledging receipt of the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the district's Comprehensive Annual Financial Report (CAFR) and the acceptance by the Colorado Department of Education (CDE) of the of the prior year audit and financial submission via the data pipeline. There was discussion regarding future recommendations and communications, FOC meeting timing, and topics including recommendations on rebuilding reserves, if necessary.

**Wrap Up and Next Meetings:** Askelson confirmed that the next FOC meeting is August 6. Askelson, Ballard and Bestor advised that they will not be able to attend. Askelson confirmed that committee appointments are on the agenda for the June 6 BOE meeting.

The meeting adjourned at 10:35 a.m.