



## **Financial Oversight Committee Meeting**

Remotely via Zoom  
1829 Denver West Dr., Building 27  
Golden, CO 80401

### **Meeting Minutes**

May 5, 2020 – 10:00 a.m. [via Zoom](#)

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

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

Brian Ballard, Chair  
Mike Bestor  
Gordon Calahan  
Leanne Emm  
Mary Everson  
Kyla Jones  
Scott Tarbox

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

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

Dr. Jason Glass, Superintendent  
Kathleen Askelson, Chief Financial Officer  
Steve Bell, Chief Operating Officer  
Stephanie Corbo, Finance Director  
Tim Reed, Exec. Director of Facilities  
Nicole Stewart, Budget and Treasury Director  
Debbie Ranguet, Exec. Assist., Financial Services

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

Paul Niedermuller, CliftonLarsonAllen, LLP

**Welcome and Introductions:** Brian Ballard called the meeting to order and declared a quorum.

**Approval of the Minutes:** Kyla Jones moved to approve the minutes for April 7, 2020. Brian Ballard seconded. The motion carried unanimously, and the minutes were approved as presented.

**Third Quarter Financial Review:** Stephanie Corbo, Director of Finance, began by reviewing the third quarter financial report presentation. She provided an update on cash flow, which is sufficient to cover operations through spring. She noted that no line of credit or other resource is anticipated. She then reviewed the funds, sharing details as to the yellow-flag/monitored status of the Food & Nutrition Services and Central Services Funds. Corbo confirmed all other governmental funds are operating per plan and shared details of what revenues and expenditures look like for each, observing changes experienced due to the COVID-19 pandemic, and identifying those funds being monitored for a supplemental appropriation.

Paul Niedermuller with CliftonLarsonAllen, independent auditors for the district, summarized the report on applying agreed-upon procedures for the Quarterly Financial Report for the quarter ended March 31, 2020. Niedermuller's report detailed three funds that were projected to be over budget due to expenditures as of year-end should they continue spending at the same rate and, therefore, should be considered for a supplemental appropriation. Niedermuller also covered the two yellow-flagged funds, Food & Nutrition Services Fund and Central Services Fund, and provided explanations as to why the funds are being monitored. Niedermuller encouraged the district to look at the most recent guidance on the COVID-19 Relief Fund and to research that avenue for additional support.

**2020/2021 Budget Development Update:** Kathleen Askelson reviewed the budget presentation that was presented to the Board of Education (BOE) on April 29. She shared current news from the state which included the Colorado Department of Education directive to plan for a 1 to 10 percent revenue reduction. She elaborated that 10 percent may turn out to be on the lower end due to changes in state revenues, noting Jeffco reaches their base funding at approximately a 16 percent reduction. The Long Bill and School Finance Act are planned to be introduced on May 18 with June 1 set as the target date for legislators to complete school finance. Askelson then reviewed current budget activity for the month of May and highlighted

upcoming targets and deadlines. Public comment and presentation of the proposed budget to the BOE is scheduled for May 7 with budget adoption currently scheduled for June 4, although the timing is being monitored. She noted the tight timeline the district is working in to implement the necessary changes for July 1. Askelson then walked through the driving values in developing reductions: quality student experiences, our people, our community and short term/long term financial stability. She followed with various reduction options that can be considered such as pay reductions, layoffs, program cuts, school closures/consolidations and the use of reserves. With each option, Askelson communicated examples and impacts of what that the reduction options would look like. Next, she provided examples of reduction options ranging between 5 and 10 percent and provided examples of what those reduction scenarios could look like, as well as, revenue forecasts with reductions distributed over two to three years. Askelson detailed ongoing opportunities for community engagement beginning with budget-related public comment at the May 7 BOE meeting.

Askelson then stepped through the proposed budget and assumptions, noting that revisions are pending until passage of the School Finance Act. Askelson communicated information regarding increased insurance costs for 2020/2021 renewal.

There was conversation over the ongoing monitoring of our financial position, the natural attrition that has been occurring in response to the COVID-19 pandemic, and navigating forward through reductions. There was a general consensus expressed over the importance of preserving reserves for future uncertainty. This concluded with the committee agreeing to present a statement of values and recommendations to the Board at the next meeting in an effort to provide clear advisement.

**Committee Vacancies:** Kathleen Askelson informed the committee of the BOE District Committee Vacancy process and noted that the application submission period has been extended through July 26 due to the COVID-19 pandemic. A revised plan on timing for review/selection/appointment will be communicated prior to the August meeting.

**Summary of Findings and Bond CIP Update:** Tim Reed provided an update on the financial status of the Capital Improvement Plan that compared expenditures as of April 30, 2020, to March 31, 2020. The presentation covered the status of April 2020 bid results and the status of additions and new buildings to be bid in late summer and fall. Reed noted that the current COVID-19 impact is minimal and projects are continuing normally with no real impact on material. Due to several school districts suspending planned construction activity, labor availability has increased and contractors are eager to begin work. Reed then covered the 2019/2020 Summary of Findings and reviewed the portfolio replacement value, deficiencies and Facility Condition Index (FCI). Reed added that with grade reconfiguration, the district has seen an increase in land area and overall building area. In conclusion, Reed assured the district is going in the right direction with the investments it is making through the Capital Improvement Program.

**FOC Conclusions/Recommendations:** Following discussion, the committee listed four recommendations to communicate to the Board of Education as part of the third quarter financial review and dialog with the Board. First, district administration should not take on severe cuts. Noting, administrative staff are of high value but do not account for a large monetary value. In reference to Dr. Glass' analogy, doing so would not produce a "boulder" and that all need to share in this recovery. Second, reductions should begin in July 2020. Third, reserves should be used over a reasonable number of years and not all at once. The committee maintains that reserves need to be preserved. Lastly, there is concern with long-term salary reductions as it's important for the district to remain competitive with other districts.

**Wrap Up and Next Meetings:** Askelson reviewed dates of upcoming meetings.

The meeting adjourned at 12:00 p.m.