



Financial Oversight Committee Meeting

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

Meeting Minutes **October 1, 2019 – 10:00 a.m.**

Financial Oversight Committee (FOC)

Members Present:

Brian Ballard
Gordon Calahan
Mary Everson
Kyla Jones
Scott Tarbox

Committee Members and Staff Absent:

Mike Bestor
Leanne Emm
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:

Paul Niedermuller, CliftonLarsonAllen, LLP

Welcome and Introductions: A quorum was declared.

Insight Investment – Investment Management Program Review: Mary Donovan with Insight Investment reported on the district's general and bonds proceeds portfolios. The presentation covered economic indicators and market environment, comparison of annualized yields, an overview of portfolio size and duration, update on performance versus benchmark, a breakdown of portfolio diversification and maturity distribution and strategies, status of yields, and securities held and an overview of deposit and investment risk disclosure per GASB 40 for the reserves portfolio. For the bond proceeds portfolio, Donovan reviewed diversification of holdings, maturity distribution, yields and GASB 40 disclosure for deposit and investment risk. There was discussion regarding the design of the bond proceeds portfolio holdings and maturities to align with anticipated district cash flow needs.

Approval of the Minutes: Mary Everson moved to approve the minutes for September 3, 2019. Scott Tarbox seconded. The motion carried unanimously.

2018/2019 Fourth Quarter Financial Report: Stephanie Corbo stepped through a presentation on the Fourth Quarter Financial Report. Corbo noted that district cash flow in the fourth quarter was adequate to cover the district through receipt of property tax revenue in the spring, thus the district did not require a line of credit. Of the district's 15 funds, three funds were yellow flagged for monitoring including Food & Nutrition Services for operating above the approved use of fund balance and future sustainability concerns, Central Service Fund for spending outside of appropriation, and the new Building Fund for expenditures higher than budget. Corbo noted all other funds were operating as planned.

There was discussion regarding reserves, grant coordination and reporting, transportation challenges, financial status of preschool and before/after programs, increased building use, final receipt of revenue from hail claim, higher revenue in Technology Fund due to funding received for Teacher Match, website support and salary increases, and removal of yellow flag status for Great Work Montessori. Corbo noted that all 16 district charter schools received their 5A mill levy revenue in full on April 1 and that funding from

5B for bond proceeds allowed two charters to pay off debt, two to pay down debt and many others to begin planning and working on facility improvements.

Issues on the radar included an update on the status of several facilities projects and an update on the status of a revised adopted budget following the outcome of negotiations that will be voted on by the Board of Education on October 10.

Askelson and Nicole Stewart distributed and discussed a funding summary of expenditures and revenues by category for the Mill Levy Funds from 5A. There was discussion regarding carryforward from 5A due to timing of project expenditures and a revision to the reporting to show a look back of what was budgeted, what was spent and what remains. Staff will revise the report and send to the committee. Askelson noted the reporting remains a work in progress and requested that members forward any additional comments. The 5A summary documents will be included in the appendix section of financial quarterly reports.

Bond Program and Facilities Update: Steve Bell updated the committee on the status of bond funded projects. He noted that revenue for the bond issuance with premium and interest and capital transfer is approximately \$402 million with \$62 million expended and \$22 million encumbered to date and an anticipated \$70 million spend by end of 2019. There was discussion regarding the purchase of a site for the North Transportation Hub adjacent to existing facility and status of projects.

Budget Update – 2019/2020 Revised Budget and 2020/2021 Budget Development Process: Kathleen Askelson discussed the resolutions going before the Board the October 10, 2019, meeting for a 2019/2020 revised adopted budget. She noted that the revisions include additional revenue from specific ownership tax for \$8 million and interest of \$1 million to fund the compensation package for the Jefferson County Educators Association and that it no longer includes a spend down of reserves for additional planning time at schools. Planning for development of the 2020/2021 budget is in early stages. The governor's budget is expected to be released in November.

Election Information: Askelson shared a web link for information and resources on the 2019 election.

FOC Conclusions/Recommendations: The committee discussed and approved the Conclusions and Recommendations form from September 3, 2019, with regard to the 2019/2020 Revised Budget with one change. The form will be attached to the October 10, 2019, consent agenda item for the Revised Adopted Budget.

Wrap Up and Next Meetings: Askelson confirmed dates for upcoming meetings. There was discussion regarding the FOC dialogue with the Board scheduled as part of the Fourth Quarter Financial Report presentation on October 16, 2019; no members were available to attend.

The meeting adjourned at 11:35 a.m.