



FINANCE ADVISORY COMMITTEE MEETING MINUTES
October 13, 2017 - 7:30 a.m.

Committee Members Present: Art Chase, John Gillam, Stan Johnson, John Reiter, and Mick Souder

Board Members Present: None

DAAC Members Present: Jackie Oros

Durango School District 9-R Staff Present: Andy Burns, Jennifer Macho-Seekins, Carla Hotter, and Marty Kay Hutton

- I. Call to Order** – After a quorum was established, the meeting was called to order at 7:30 a.m. by Mr. Art Chase who served as chair.
- II. Introductions** – Ms. Jackie Oros, the District’s Chief Student Services Officer, was introduced to the committee.
- III. Approval of the Agenda** – Mr. Mick Souder made a motion to approve the agenda; seconded by Mr. Stan Johnson. Approved.
- IV. Approval of September 8, 2017, Meeting Minutes** – A motion was made by Mr. Johnson to approve the minutes; seconded by Mr. Souder. Approved.
- V. Monthly Financial Review (1st Quarter)** - Ms. Jennifer Macho-Seekins provided the financial review and highlighted the following:

General Fund - While it appears that the numbers are much higher for Special Education, BOCES and Student Support Services, a lot of staff members’ salaries and benefits are still being charged to the 10 Fund. Title, IDEA, or ESSA monies will be moved from the 10 Fund to the 22 Fund. There will be significant changes when the budget revision is completed.

The District hasn’t paid Connection Academy yet, since it is still awaiting headcount information. There have been three payments made to The Juniper School.

Health Insurance Fund - The District is going to have to watch this fund closely. A mass enrollment of all new teachers to the District has been conducted. The District may need to make further adjustments to this fund in December when the budget revision is completed.

It is anticipated that the Wellness Committee will be brought together again to help employees claim ownership of the fund through its insurance roadshow (employee insurance presentations). The District offers one of the best insurance packages in the area, but it may be necessary to have a premium increase in January 2018.

VI. OLD BUSINESS

FAC Charges - There was discussion concerning the last FAC Charge for 2017-18 ("Review and comment on the finance policy and procedures manual."), and whether the FAC Committee should be addressing the day-to-day procedures of the Finance Department. A motion was made by Mr. Souder to remove the words "and procedures" from the charge. It was seconded by Mr. Johnson and accepted by the membership. Mr. Andy Burns will take this change to the next Board meeting for approval.

Finance Policies - In an effort to allow the FAC the ability to comment on financial policies, it was decided to have one or two policies brought to the membership at a time for discussion. The first policy to be addressed was the District's Bidding Policy. Clarification needs to be made regarding the \$10K threshold of items put to bid, and why instructional items aren't included in the bidding process. The recommendation was that this item be brought up at the next board meeting under New Business. Mr. Burns will take it to the Board.

Audit Update and 16-17 Financials - Ms. Macho-Seekins reported that the auditors received the trial balances last Monday and the second level of data has cleared in the pipeline. The auditors have access to the District's system remotely and she has spoken with Ms. Kim Temple who is confident that the audit deadline will be met. At this time, the auditors have not committed to the official in-house date, but it looks like the end of October or early November. They have received Ms. Carla Hotter's audit workbook and are reviewing it and asking questions. Ms. Macho-Seekins is working on the MD&A.

Mr. Gary Goold provided advising services to the finance team, and did a significant amount of work on fixed assets and the PERA pension liability footnote, which is the first time the District had to do it. This item had previously been completed by the auditors.

Ms. Macho-Seekins stated that she has no concerns about this audit.

16-17 Financials - Most of the schools in the district overspent last year, but the support departments didn't spend everything they were budgeted. A budget revision was done in front of the Board and they made sure all funds had appropriate fund balances. Kids Camp and Interscholastic budgets need to be closely monitored in preparation for the budget revision. At Superintendent Dan Snowberger's direction, an additional amount of \$250K was moved from the General Fund to the Capital Fund for

technology purchases in anticipation of moving the District from laptops to tablets on an ongoing basis. The ending balance currently is \$700K.

VII. NEW BUSINESS

DAAC Meeting Report - Mr. Steve Ruddell attended last month's DAAC Meeting and provided the membership with his written report (since he was out of town).

Ms. Oros also provided DAAC information to the members in connection with school performance within the District.

Colorado Connections Academy was rated as a priority improvement performance school due to their participation rate of 91%. This online school tests in eight different locations around the state and cannot meet the State's requirement for the technical aspects. As a result, they give the PARCC and CMAS tests with paper and pencil. The District will appeal the rating since it has recently discovered CDE coding errors. The participation rate is 94.9%, not 91%.

October Count - Mr. Burns provided the preliminary October Count to the membership. The October Count is the reported number of District students and usually takes place on October 1st (this year it was October 2nd, since October 1st was a Sunday). The final figures will go to the CDE for its approval in December.

The count includes the numbers for Colorado Connections Academy and The Juniper School. The change in the District's total student population is a 4% increase. Some elementary students have migrated to The Juniper School which has alleviated some of the bottlenecks previously seen at the other elementary schools.

Ms. Macho-Seekins indicated that Colorado Connection Academy's count came in higher than expected (200 students higher than was budgeted). The Board will need to have a conversation of how revenue received for The Juniper School and Colorado Connection Academy should be viewed (revenue to fund balance), since 95% of the fund balance for these two schools cannot be controlled by the District.

Mr. Chase stated that the distributed October Count document indicates that the school district has not experienced any growth, which is consistent with how the local economy is trending. He recommends that the Board be mindful of this trend when working with the budget.

Mick Souder's FAC Seat - It is anticipated that Mr. Mick Souder will be seated on the School Board in December 2018. As such, he will need to relinquish his FAC seat at that time. The FAC will need to consider a new representative to replace him. Mr. Burns encouraged the membership to also look for new FAC members.

Other Items - Ms. Macho-Seekins invited the membership to attend the ribbon cutting celebration at the new Hermosa Meadows Road in front of Animas Valley Elementary School on Friday, October 20, 2017, at 8:00 a.m.. The road came in under budget and on time. The homeowner associations are committed to forward any additional funds received from the homeowners to the District.

VIII. ANNOUNCEMENTS

The next regular FAC Meeting will be held on Friday, November 10, 2017, at 7:30 a.m. in the 9-R Administration Conference Room.

The next DAAC Meeting will be held on Wednesday, October 25, 2017, in the Big Picture High School. FAC will be represented by Mick Souder.

The next regular Board Meeting is scheduled to be held on Tuesday, October 17, 2017, at 5:30 p.m. in the 9-R Administration Building Board Room.

The meeting was adjourned at 8:25 a.m.

Art Chase
Finance Advisory Committee Co-Chair

Marty Kay Hutton, Secretary
Sr. Admin. Asst. to the Director of Finance