



FINANCE ADVISORY COMMITTEE MEETING MINUTES
Friday, January 19, 2018 - 7:30 a.m.

Committee Members Present: Art Chase, John Gillam, Stan Johnson, John Reiter, Steve Ruddell, Cheryl Wiescamp, and Tim Zink

Board Members Present: Joe Kusar

DAAC Members Present: None

Durango School District 9-R Staff Present: Dan Snowberger, Andy Burns, Kevin Smelker, Carla Hotter, Kira Horenn, and Marty Kay Hutton

- I. Call to Order** – After a quorum was established, the meeting was called to order at 7:33 a.m. by Mr. Steve Ruddell who served as chair.
- II. Introductions** – Kevin Smelker (9-R’s new Interim Director of Finance), Kira Horenn, (9-R’s Lead Accountant), Joe Kusar (Board Member), Tim Zink (Newest FAC Member)
- III. Approval of the Agenda** – Mr. Art Chase made a motion to approve the agenda; seconded by Mr. John Gillam. Approved.
- IV. Approval of December 8, 2017, Meeting Minutes** – A motion was made by Mr. Mr. Gillam to approve the minutes with one revision (Mr. Art Chase was not at last month’s meeting); seconded by Mr. Chase. Approved.
- V. Monthly Financial Review - December 2017 Financials** – Mr. Kevin Smelker provided the monthly review, highlighting the following:

December operates in two worlds --- the amended budget is being prepared to take to the Board and and the monthly financials are prepared based on the old budget. As a result, some of the variances will be corrected or adjusted next Tuesday when the Board meets.

General Fund - Pupil count increased with approximately thirty students and will be amended in the adopted budget. Interest earnings are coming in a little higher than expected, so the Interest on Investments line item will be adjusted. Property tax

doesn't come in until February and May, so as the year progresses this line item will increase.

10 Fund - Under Instructional Programs, you will notice variances around Colorado Connections and Juniper School under 50%. The reason for that is 9-R pays Colorado Connections on a billing basis. They are a little slow on their billing, so it is not reflected here. Juniper School is an allocation of resources, not an expenditure. When the budget is amended, this figure will be corrected and reclassified. The rest of the expenditures are running around the 50% mark.

Benefits for Staff will be adjusted in the Amended Budget since it was under budgeted.

Food Service Fund - This fund is running on target, but will be adjusted in the Amended Budget. The Fund Balance is better than what was projected, which is largely due to the Demon Deli's increased revenues. There may be an additional Demon Deli site added at DHS.

Interscholastic Activity Fund - Gate receipts are up, which is normal for this type of year.

Debt Service Fund - These are the bond service payments. Property Taxes are lagging behind and in February and May it will catch up. The reason it is important to keep a fund balance in here is that the District has payments that are due in December. Principal payment was already made as well as half of the interest was made.

Capital Projects Fund - The Amended Budget will reflect changes. Most of the projects are complete are in the process of getting complete.

After School Enrichment Program Fund - This fund is supported a little from a General Fund. As indicated, the program runs a lean fund balance.

Dental Insurance Funds - Claims vs premiums are doing well in this fund.

Health Insurance Funds - This fund has been amended in the Amended Budget. There have been more claims than in previous years and it is clear that something will have to improve, perhaps a plan design change or premium changes. The District is addressing this concern now.

12 Fund - Facility rentals are reported here.

Grant Fund - Most grants are reimbursable funds.

VI. OLD BUSINESS

FAC Charges - Charges were amended to reflect that FAC will review and comment on the finance policy manual.

ESP Compensation - Mr. Andy Burns provided the report. During 2016-17, the DESPA negotiation team indicated that it wanted to get away from the old salary schedule for classified staff. As a result, the old schedule will sunset this year and the the compensation system will be refined.

Two surveys have been conducted asking for feedback from the classified staff. Longevity was important, as well as increased pay for performance. Research was conducted to see how 9-R's salary schedule compared to other districts in comparable Colorado communities. This research indicated that the District is behind in some positions.

A local non-profit organization, Thrive La Plata, has conducted research and has determined that \$13.31 is a living wage for a single person without children. Striving for the living wage is something to consider and currently no 9-R employee receives less than this amount, because of the District's strong benefit package.

The District needs to attract and retain ESO staff by providing more competitive wages to attract high quality new employees and pay longevity bonuses for long-term employees. It also needs to continue to offer a competitive benefits package which may be a fiscal impact with this.

Finance Policy Review - Mr. Andy Burns felt comfortable to bring this topic back to the FAC in February. This month has been focused on the Amended Budget. Prior to next month's meeting, the Finance Policies will be reviewed and prioritized. The most critical policies will be brought to the FAC for its opinion.

VII. NEW BUSINESS

Insurance Update - The District is partially self-funded and 9-R is bearing the expense of the claims. The Insurance Committee will be meeting on a monthly basis to discuss plan modifications. It is a collaborative process with representatives from all job families and locations. The District is looking and considering all options.

Tutorial for New FAC Members - Mr. Burns asked the membership if they would be interest in attending a tutorial meeting after next month's FAC meeting. The focus of this meeting would be to explain terms and financial reports to attendees. Interest was expressed and the meeting will be open to FAC and Board members.

Changes in the Finance Department - Superintendent Dan Snowberger shared with the membership that during the holiday break, Jennifer Macho-Seekins met with the Superintendent and Mr. Burns and shared with them that with her young children, the job was bigger than she had the time to commit, and stepped down. Fortunately, Mr. Smelker was available to step into the job as the Interim Director of Finance to assist the District in preparing the Amended Budget. Mr. Smelker has specific experience in Colorado school finance and will be able to set up the District's new finance director for success.

DAAC Update - Mr. Art Chase provided the DAAC report. The DAAC is asking for feedback on a couple of alternative calendars. There was a presentation on the Universal Improvement Plan (UIP) and the process used in addresses any deficiencies. DAAC is a great group of people and the meetings are well worth attending.

Amended Budget – The FAC was provided with a copy of the Amended Budget. Mr. Smelker pointed out that on Page 3 (Less: Charter School Allocation) had previously been reported on Page 19 as an expenditure. CDE requires that you report all charter school allocations as an allocation of revenue.

The format of this document may change to make it easier to understand for all audiences. Mr. Snowberger indicated that currently the document is manually made and it would be beneficial to have the document generated by the accounting software. This would decrease the likelihood of errors.

The Amended Budget will be presented to the Board for approval on Tuesday, January 23, 2018.

FAC Report to the Board – Mr. Ruddell and Mr. Chase will provide the FAC Report to the Board at the next board meeting. Mr. Ruddell asked the membership if they were all comfortable with the amended budget or if there are any concerns. The FAC indicated there were no concerns.

VIII. ANNOUNCEMENTS

The next regular FAC Meeting will be held on Friday, February 9, 2018, at 7:30 a.m. in the 9-R Administration Conference Room.

The next DAAC Meeting will be held on Wednesday, January 24, 2018, at 5:30 p.m. at Park Elementary. Ms. Cheryl Wiescamp will represent the FAC Committee.

The next regular Board Meeting is scheduled to be held on Tuesday, January 23, 2018, at 5:30 p.m. in the 9-R Administration Building Board Room.

The meeting was adjourned at 8:57 a.m.

Steve Ruddell
Finance Advisory Committee Co-Chair

Marty Kay Hutton, Scribe
Sr. Admin. Asst. to the CFO