



Financial Oversight Committee Meeting

Education Center, Seminar Room
1829 Denver West Dr., Building 27
Golden, CO 80401

Meeting Minutes **September 28, 2021 – 9:30 a.m.**

Financial Oversight Committee (FOC)

Members Present:

Brian Ballard
Gordon Calahan
Christine Havlin
Jessica Keene
Scott Tarbox

Committee Members and Staff Absent:

Leanne Emm, Chair
Charlotte Franson

Staff Present:

Brenna Copeland, Chief Financial Officer
Tracy Dorland, Superintendent
Nicole Stewart, Budget and Treasury Director
Jason Hendricks, Director, Finance
Steve Bell, Chief Operating Officer
Debbie Ranguet, Exec. Assistant to CFO

Independent Auditor and Other:

Paul Niedermuller, CliftonLarsonAllen, LLP

Welcome and Introductions: Brian Ballard called the meeting to order. There were introductions.

Approval of Minutes: Gordon Calahan moved to approve the minutes for August 24, 2021. Scott Tarbox seconded. The motion carried unanimously, and the minutes were approved as presented.

Staff Report: Brenna Copeland updated the committee on budget work in progress with regard to status of enrollment and the financial impacts to the district. She advised that another continuing priority is collaboration on development of a spending plan for ESSER funds. The annual audit is under way and going well. Paul Niedermuller advised that delays on guidelines similar to last year will result in the single audit being conducted separate from the annual audit. Copeland acknowledged several teams for the work that was accomplished including the payroll with the start of a new school year, purchasing for the additional work due to emergency purchasing, purchases associated with new school year and challenges with supply chain issues; risk management for preemptively looking out for students through training to mitigate risk and issues due to the transition back to in person learning.

Steve Bell commented on the CIP Review and advised that working group meetings are continuing with Moss Adams as the firm conducts a review of the district's Capital Improvement Program (CIP). He advised that a draft report is due next month with an opportunity for staff and the Capital Asset Advisory Committee to review before presentation to the Board of Education. Staff anticipates that the report will highlight the good work by the district as well as some recommendations for improvements to the process.

Policies Overview and Annual Calendar Review: Brian Ballard asked for any questions on the policies and annual planning calendar that were distributed with the meeting packet. Staff advised that the calendar is a planning tool but that topic suggestions can be added and that timing of information is flexible and can be adjusted.

FOC Representative Appointment to the Audit Committee: Ballard advised that the committee needed to appoint a representative to the Audit Committee. Staff confirmed that the committee includes two members of the Board of Education and one representative from FOC with two staff liaisons, Director of Finance and Superintendent. In

addition, Paul Niedermuller with CliftonLarsonAllen (CLA), or a representative from CLA, also attends. There are four Audit Committee meetings currently scheduled for October, December, February and May. Following discussion, member Jessica Keene volunteered to serve on the committee. Staff will communicate the appointment to the Board of Education. In addition, staff will send information and meeting invites to Keene.

Budget Update: Nicole Stewart stepped through a presentation that covered a 2021/2022 budget review. Highlights of the presentation included areas being monitored including enrollment loss and impacts to the adopted budget as well as free and reduced lunch counts related to the increase in free and reduced lunch funding. There are concerns that the district did not regain the estimated 1/3 of the enrollment loss experienced in the previous year that it was counting on. More information on enrollment will be available after the October count. Staff continues to evaluate the Retirement and Turnover savings and the 2020/2021 year end fund balance. Stewart provided an overview of the status for Elementary and Secondary School Emergency Relief (ESSER) funds that included expenditures and expenditure categories. She noted that for the \$7 million in ESSER I, charters schools have \$42,000 remaining and the district has \$13,000 remaining. For the \$30.4 million in ESSER II, charters have \$2 million remaining and the district has \$4.1 million remaining. District leadership is continuing discussions with the community, staff and Board of Education on a spending plan for the \$68.2 million. Stewart confirmed that the priority will be to spend all of ESSER I and II before using ESSER III. She noted that ESSER III has more flexibility with use of funds and a longer timeline to spend the funds.

Superintendent Dorland commented on the goals and strategies for using ESSER III intentionally to invest in student needs and student achievement. With return to in person learning, the list of needs is great than expected and there are hiring challenges that will affect how to meet those needs. The district is being strategic along with balancing urgency as it develops a plan to spend down the funds over the next three years.

There was discussion regarding the how the online school expanded capacity with additional hiring to meet the needs of interested students in order to attract and retain students in the district. Also discussed was the importance of extended day opportunities to ensure a well-rounded learning experience for K-12 students.

Stewart summarized the planned community engagement for development of the 2022/2023 budget and noted that the process will have a slower timeline than the previous year. The process will include work the school accountability committees, community and stakeholder input, recommendations and advice from the Financial Oversight and Capital Asset Advisory Committees, budget updates and public comment at Board of Education meetings and recommendations from district leadership. Also covered was an update of the status of the 2022/2023 budget process. In the beginning stages are the Budgeting for Outcomes process for departments and an analysis of the Student Based Budgeting process for schools. Negotiations with Jefferson County Education Association (JCEA) will include workgroups with work to begin in a few months. More information on state funding will come with the release of the November forecast from the state and the Governors' budget proposal in early November. The district will continue to monitor potential ballot measures for impacts to the district.

Staff will send the list of acronyms and the budget presentation that Stewart presented to the District Advisory Committee.

FOC Conclusions/Recommendations:

Staff will inform the Board of the appointment of Jessica Keene to the Audit Committee.

Wrap Up and Next Meetings:

Election of district chair will be covered at the October meeting.

Bell commented on the potential intergovernmental agreement with APEX Recreation District and the City of Arvada with regard to funding the Meyers Pool project. He noted that it is not a financing document. The final draft is being reviewed by staff and legal counsels of the three partners. There was discussion regarding fees, a

potential financing model being considered and how the project ties to the goal of attracting and retaining student enrollment. Information on financing will be brought to FOC as direction is received from the Board to move forward with a financing model.

Copeland announced the resignation of Debbie Rainguet and thanked her for her work with the district. Members were reminded of the October 14 and 20 Board meetings and the FOC meeting on October 26.

The meeting adjourned at 10:25 a.m.