



Financial Oversight Committee Meeting

Education Center, 4th Floor Seminar Room
1829 Denver West Dr., Building 27
Golden, CO 80401

Meeting Minutes **February 28, 2023 – 9:30 a.m.**

Financial Oversight Committee (FOC)

Members Present:

Brian Ballard
Christine Havlin
Melissa Jamieson
Jessica Keene
Robert Last
Theresa Shelton

Committee Members and Staff Absent:

Amy Alvarez

Staff Present:

Tracy Dorland, Superintendent
Brenna Copeland, Chief Financial Officer
David Suppes, Interim Chief Operating Officer
Julie Tolleson, Chief Legal Counsel
Brian Sammons, Director of Budget & Treasury
Christie Moss, Controller
Charley Falkenburg, EA to CFO

Additional Attendees:

Danielle Varda, Board of Education
Mary Parker, Board of Education

Welcome

Ms. Copeland called the meeting to order at 9:32am. The January FOC minutes were noted to have typos and it was agreed that Ms. Falkenburg would fix the errors. Committee member Keene made a motion to approve the minutes as amended, which was seconded by committee member Jamieson. The January FOC minutes were approved as amended.

Discussion ensued on changing the start time for FOC meetings for the remainder of 2022-23 as well as for the proposed 2023-24 meeting schedule. It was agreed the March FOC meeting would start at 8:00am and the April and May FOC meetings would start at 8:45am. The start time for the 2023-24 meetings will be 8:30am.

A brief discussion ensued on the proposed 2023-24 meeting dates, particularly around the benefit of adding an additional meeting in the summer. There was consensus that the proposed dates were appropriate with the exception of February which would shift from February 27 to February 20.

Staff will work with the Superintendent's Office to confirm the proposed 2023-24 schedule. Upon final approval, Ms. Falkenburg will send out calendar invites to the committee.

District Fund Balance & Reserve Targets

Ms. Copeland provided a presentation on the District's fund balance and reserve targets. Highlights of the presentation included: the purpose of reserves; types of reserves; an overview of the current District reserves policy (DAB); state fiscal policies and procedures on reserves; and a comparison of reserve policies by neighboring districts;

Following the presentation, the FOC engaged in a lengthy discussion on an appropriate minimum target level for District unassigned reserves to recommend to the Board of Education at the March 9 Board meeting. Current policy

states that the current minimum target for the General Fund is 4 percent of the year's total expenditures, and the committee debated whether to recommend making the target level lower, higher, or remain the same. Committee members noted that Jeffco's current minimum target for unassigned reserves is higher than some neighboring districts and lower than others. The committee also discussed the merits of policy consistency in a moment of change.

The committee voted on recommending language for the board's executive limitation policy EL-15 to state "Achieves and maintains a year-end unassigned general fund balance of 4 percent." Five committee members voted in favor and one committee member voted not in favor. Committee member Alvarez was absent and did not vote.

The committee briefly discussed the minimum expectation for reserves in other funds. The committee generally agreed that 4% was the right minimum expectation for the funds identified to have reserves in the current DAB policy. The committee is interested to discuss a differentiated target or expectation for the benefits' fund given that the district has moved to a self-insured plan with Aetna and thus claims within a given year could fluctuate, necessitating higher levels of reserves. It was noted that the FOC may have additional guidance on approaches to ways to spend down reserves for when they return before the Board again in May.

Committee members Keene and Havlin will present the FOC's recommendations and conclusions at the March 9 Board meeting.

Q2 Financial Report

Ms. Copeland provided a brief overview of the Q2 financial report. Main trends included higher interest and some salaries being higher than originally anticipated. Concerns mainly centered on utility increases.

District staff have been monitoring three different funds for over and under spends: Transportation, Risk Management, and IT. There is a trending over spend in Risk Management, but the second six months may not end up similar to the first six months given variability in timing of litigation and settlements. There is a trending underspend in Transportation and IT.

Ms. Moss will present the Q2 financial report at the March 9 Board meeting. Ms. Copeland said the committee would revisit the Q2 financial report more in-depth at the March 28 FOC meeting.

FOC Responsibilities

Committee member Keene brought up a question about the FOC's committee name. Discussion ensued on whether the FOC name should be changed as the committee does not oversee things but rather offers guidance and recommendations.

A brief dialogue ensued between committee members and Board members Parker and Varda on what they prefer to get from the FOC. Board member Parker expressed that she liked the current engagement of the FOC and Board member Varda expressed that is helpful for the Board to hear the FOC's advice and thought processes on how to move the District forward from a financial lens.

The committee agreed to revisit a conversation about whether their role is primarily advisory or oversight.

Adjournment

The meeting adjourned at 11:35am.