



FINANCE ADVISORY COMMITTEE MEETING MINUTES

April 13, 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: Andy Burns, Kevin Smelker, Carla Hotter, and Kira Horenn

- I. Call to Order** – After a quorum was established, the meeting was called to order at 7:34 a.m. by Mr. Art Chase who served as chair.
- II. Introductions** – None. It was discussed to add Public Comment as a permanent subsection of introductions.
- III. Approval of the Agenda** – Mr. Art Chase made a motion to approve the agenda; seconded by Mr. Steve Ruddell and Ms. Cheryl Wiescamp. Approved.
- IV. Approval of March Meeting Minutes** – A motion was made by Mr. Art Chase to approve the minutes; seconded by Mr. Tim Zink. Approved.
- V. Monthly Financial Review - March Financials** – Mr. Kevin Smelker provided the monthly review, highlighting the following: FTE allocated to BOCES SWAP pass-through is not a revenue item and will not be budgeted for in the future.

General Fund – Same story as last couple of months. Mr. Smelker discussed that it is 75% expired for the year and the biggest change on the revenue side is due to property taxes jumping 42%.

10 Fund – Mr. Smelker stated that totals are running around 70%. For comparability purposes, our excess of revenue over expenditures is doing better this year than previous year. The utilities are running over budget but will be made up for in savings from salaries and benefits.

Food Service Fund – Mr. Smelker discussed that this fund is running as expected, but not as good as the previous year. However, it will still be within budgeted amount. Mr. Andy Burns mentioned that PCC will be moving to the high school and food service will provide a coffee cart that could be an additional source of revenue for this fund next year.

Interscholastic Activity Fund – Mr. Smelker stated that this fund is running as usual.

Debt Service Fund – Mr. Smelker mentioned that the next debt interest payment will be in April.

Capital Projects Fund - Running as expected, nothing unusual.

After School Enrichment Program Fund – Mr. Smelker discussed that this fund is behind and not running as projected, additional transfers will probably be needed around \$10,000 - \$20,000. Participation is down in program causing reduced revenue.

Dental Insurance Funds – Mr. Smelker stated that this fund is running well.

Health Insurance Funds - Mr. Smelker indicated that the health fund is losing money, about 2.4 million decrease in the past two years. \$75,000-\$100,000 per month in loss.

12 Fund – Mr. Smelker explained that this fund is running as expected.

Grant Fund – Mr. Smelker explained that this fund is running as expected.

VI. OLD BUSINESS

FAC Charges – Mr. Burns stated that the charges discussed at last meeting will be reviewed by the BOE later this year to be implemented for next year. Changes in policies and charges will address existing alignment issues.

Finance Policy Review – The committee agreed that the policies should be reviewed when the Finance Department is staffed and the new Director of Finance is here. Mr. Ruddell mentioned that it should not be a simple red line approach but a more detailed process. It was also agreed upon that if the policies were reviewed now it wouldn't be in a diligent manner due to time pressures.

Community Outreach – The FAC had their first article featured in the Durango Herald last month (March). They have agreed to issue one article after each FAC report to the BOE. The next article will focus on how we can send a message that helps communicate to people what they won't understand otherwise. Also, there is a story to

be told about where we have been, where we are and where we are going and this article would be a good place to address that story.

VII. NEW BUSINESS

Changes in Finance Department – Samantha Gallagher was the recommended finalist to the BOE for the Director of Finance position. Becky Coumerilh, the Payroll/Benefits Coordinator is no longer with the district. Lynette Newman is no longer with the district either, which puts the department at three departures just this year. Jennifer Mioni is taking over Payroll, and the Fixed Asset position is currently open. The department will wait to hire a new Administrative Assistant until they have a new Director of Finance.

DAAC Report – Mr. Ruddell showed up at Park for the meeting but it was actually at Riverview. The location of the meeting was not updated on previous agenda.

FY 2018-19 Annual Budget – Mr. Smelker stated that discretionary budgets are out to schools and departments and are due back Monday, April 16. Format of the budget document will be more consistent with the CDE format. Legislative side - Last year the district received one time funds for rural schools of \$850,000 which was used to cover branch libraries at schools. These funds will continue next year.

Funding mechanism – Bill was signed by Governor Hickenlooper to add 35 million to school safety. Districts can apply for grant funds from this money. The district will try to use any awarded funds to improve technology by having dispatch on radios for admins/principals.

Audit Update – Mr. Burns discussed that the audit RFP has resulted in three firms which have been reviewed and assessed. Wall, Smith and Bateman was the recommendation to the BOE. We have developed a strong relationship with them and they know our operations. Given the changes in the Finance Department, we felt it was best to stay with Wall, Smith and Bateman.

Health Insurance Update – Mr. Burns discussed the health insurance changes for the 2018-19 Fiscal Year. He discussed that the district will be increasing employers risk as well as doing plan modifications. It was discussed that the stop loss will increase to \$200,000 from \$150,000. By changing this threshold, we stand to save \$250,000. There is a risk in moving this figure, but also a chance for a large savings. There was a suggested increase in premiums by \$25 across the board, applied equally to dependent tiers. Mr. Burns also mentioned raising the co-pay for preventive prescriptions to \$5 and was recommended by the group that the co-pay could be even higher than that. The idea around the insurance changes is to stay robust in the offering while increasing the employee's responsibility.

VIII. ANNOUNCEMENTS

The next regular FAC Meeting will be held on Friday, May 11, 2018, at 7:30 a.m. in the 9-R Administration Conference Room.

The next DAAC Meeting will be held on Wednesday, April 25, 2018 at 5:30 p.m. at Needham Elementary School.

The next regular Board Meeting is scheduled to be held on Tuesday, April 17, 2018, at 5:30 p.m. in the 9-R Administration Building Board Room.

The meeting was adjourned at 9:01 a.m.

Art Chase/Steve Ruddell
Finance Advisory Committee Co-Chair

Kira Horenn
Lead Accountant