



Finance Advisory Committee Meeting Minutes Friday, January 11th, 2019 at 7:30am

Members present: Art Chase; Kira Horenn; Nancy Stubbs; Tim Zink; Cheryl Wiescamp; Andy Burns; Samantha Gallagher; Dan Snowberger.

- I. Call to Order – A quorum was not established. The committee agreed to call the meeting to order to review the agenda details, but no decisions will be approved. Cheryl called the meeting to order at 7:45am.
- II. Approval of Agenda – Could not approve agenda.
- III. Approval of Previous Minutes: December 14th, 2018 – Could not approve previous minutes. Deferred.
- IV. Public Comments – None
- V. Old Business:
 - Policy and Procedure Review – Samantha stated that she is still working on these revisions to make sure that we have updated everything appropriately. Presentation and approval is deferred until February's FAC meeting.
Revision of policies from December FAC meeting.
 - a. Revenues from Investments/Use of Surplus Funds
 - b. Fiscal Accounting
- VI. New Business
 - A. January Policies and Procedures Review – Samantha discussed possible changes with the committee but no approvals could be made. Approval deferred until February FAC meeting.
 - DHA – Contracts/Signing Authority
 - DJE – Bidding Procedures
 - DJG – Vendor Relations
 - DJ/DJA – Purchasing/Purchasing Authority
 - B. Quarterly 18-19 Financial Reports – Samantha reviewed the information on the reports with the committee. Approval was deferred until the February FAC meeting.
 - Second Quarter Review – Samantha reviewed with the committee.
 1. General Fund – On track, expenses are higher due to an increase in staff and wages.
 2. Special projects fund – On track, no issues to report.
 3. Food Service Fund – Doing better than anticipated. Revenue is up from last year.
 4. Governmental Grants fund – On track, no issues to report.

5. Interscholastic Activities Fund – Trending on track with prior year, but revenue is under for activity fees and donations. Discussion regarding low revenue from fees is in process. The Stadium lease payment is also coming out of this account and was relying on fundraising efforts.
6. Capital Reserve Fund – On track, no issues to report.
7. Debt Service Fund – On track, no issues to report.
8. After School Enrichment Program fund – There is an increase in tuition/revenue due to a rate increase. Monthly revenue currently fluctuates due to the schedule flexibility of the program. Discussion is in process to address the possibility of restricting the schedule flexibility to help regulate the revenue. This fund is being monitored for issues.
9. Dental Insurance Fund – On track, no issues to report.
10. Health Insurance Fund – Mid year rate increase took effect on December's paycheck. The district is still trending high on claims and we are not sure at this time whether the recent rate increase will be enough to offset claims. Administrative costs are currently lower but due to fewer funds in the account, interest is also lower.

C. Updates

- Health Insurance – The Wellness Committee has been discussing possibilities for distributing the “wellness” funding from Anthem. We want to promote health and wellness for our employees by providing incentives to them for completing health screenings. Discussion at the Insurance Committee meeting on Thursday, January 10, 2019, included that our new insurance broker has sent out requests for quotes on a fully funded insurance option and the insurance pool (CEBT) option.

D. Amended Budget – Samantha.

1. **General Fund (with special projects)**

- Connections Academy and the district came in with a lower student count than anticipated. The state will be making categorical state adjustments based off the student count, which will lower our revenue. The charter school had an increase in their enrollment and they will owe us more funding per our agreement.
 - Current vacant positions are creating some vacancy savings; however, these positions will eventually need to be filled and this will increase the salaries and benefits costs for the district.
 - Operating Reserve - Board and District policies are inconsistent on the total percentage that should be kept as the reserve.
2. **Special projects** – There is no need to reserve anything in this fund; we will appropriate the entire fund balance each year.
 3. **Food services** – Expenses are consistent and we are receiving more federal money, therefore, reducing transfers in.
 4. **Grant services** – No issues to report.
 5. **Interscholastic Activities** – There is a reduction in projected revenue and a lack of fund raising. We are keeping a close eye on this account.
 6. **Debt Service Fund** – Property taxes have increased.

7. **Capital Projects Fund** – We are backing off some projects for the remainder of the Fiscal Year to retain a little fund balance. The Three Springs Project Reserve is also being maintained.
 8. **Afterschool enrichment fund** – Estimates show that salaries and benefits should come in under the initial projections.
 9. **Dental fund** – No issues to report.
 10. **Health insurance** – This account will continue to be closely monitored.
 - Premium changes were made and due to lower account funds, there was a decline on investment earnings. Deliberations are still in process to determine if the district will switch to the CEBT Pool, be partially funded, or go fully funded. If the district were to choose the CEBT Pool, all premiums would be sent directly to the vendors instead of to this account. \$5.2M reflects the June payment to the vendor if we went to the pool.
 - There was a transfer made from general fund due to the anticipated claims costs.
 11. **Fund 74** – Special revenue fund changes. The fees charged to this account are required to be used to benefit the students and there should not be any growth in this account.
- E. FAC Semi-annual communication to the Durango Herald. The committee discussed the need to show our financial transparency to the community and inform them of this volunteer advisory committee that the community could participate in. This item is deferred until February's FAC meeting when a quorum can be established to discuss the confidence and concern areas.
- VII. FAC Charges/BC04 – Nothing to report.
- VIII. Long Range Planning – RBC will be here in February to address the next steps to propose extending the bond. The board will then decide if this is something that should be included on the ballot for November 2019. A survey shows that 75% of people are still in agreement with extending this bond.
- IX. Announcements
- The next DAAC meeting is January 23, 2019 at Park Elementary. Art stated he would attend this meeting as the FAC representative.
 - Next FAC meeting is February 15th, 2019.
- X. Adjournment 8:56am