

Steamboat Springs Education Fund Board
September 4, 2018
5: 30PM
Human Services Board Room

Education Fund Board Directors present included Sam Jones, Jeanne Mackowski, Cristina Magill, Ulie Tourigny, Jill Brabec, Jay O’Hare and Jon Wade. Norbert Turek, Chris Johnson, Kandise Gilbertson and Adam Alspach were absent. Also present were Linda Thomas (SSEF accountant) and Christy Sinner and Brian Hoza (Hayden). Sarah Katherman prepared the minutes.

• **Call to Order:**

Sam Jones called the meeting of the Steamboat Springs Education Fund Board to order at 5:30 PM.

• **Public and Advisory Board Comment:**

There was no public comment.

• **Meeting Minutes – May 2, 2018:**

MOTION

Jill moved to approve the EFB meeting minutes of May 2, 2018 as written. Cristina seconded the motion. The motion carried unanimously.

• **New Board Member**

Sam noted that Julie Tourigny had submitted her application and been interviewed last year.

MOTION

Cristina moved to approve Julie Tourigny as a member of the EFB. Jeanne seconded. The motion carried unanimously.

• **Summer Workshop Recap**

Sam reviewed the topics that had been discussed at the summer work sessions.

- Communication planning for the ballot referendum – Sam stated that much of the summer sessions were devoted to this topic.
- Expansion of SSEF funding to pre-K programs – Sam said that on the advice of Chris, who is very knowledgeable about pre-K funding, a decision had been made to continue with the current policy of limiting SSEF funding to K – 12 education. The current funding mechanism for pre-K education from the state involves a complicated formula based on need rather than on enrollment and could result in unequal distribution of SSEF funds. This decision can be revisited in the future as the pre-K funding landscape evolves.
- Proposal to change EFB and GC terms to three years – This will require a by-law change, but would allow for better continuity and provide a hedge against disruption from turn-over on the Board and the Commission. There was discussion of how best to accomplish the transition with current members. At Jill’s suggestion, Sarah said she would make a recommendation on term adjustments to present to the EFB and the GC in October.
- Sam said that topics that were not discussed in the summer workshops, but could be open for discussion at a later date include: allowing community input during EFB and GC discussion,

determining a policy for how to accommodate future charter schools and clarifying the use of SSEF funding for capital projects.

- **Financial Report**

Linda reviewed the financial reports for the end of the fiscal year (June 30, 2018) and as of August 31, 2018, included in the meeting materials. She noted that the Colorado Trust account is earning 2.25%. Sam suggested that the interest income from this account could be used to fund the administrative expenses, once the current outreach program is completed.

The current reserve balance is \$528,797. Sam noted that this amount is significantly less than the amount with which the SSEF began its granting cycle last year, but is still greater than the targeted \$450,000 cash cushion. Linda stated that the sales tax deposits for July and August came in 6.4% and 12.4% over forecast, for an average revenue of 9.4% over forecast year-to-date.

Linda reported that the audit is almost complete. Sam said that he would schedule the state of the fund report to City Council for a date after the election. At that time, restructuring the agreement regarding the payment from the SSEF to the City can be discussed.

Jeanne noted that in the unlikely event that the ballot measure does not pass, funding will be available for only half of the following school year even if the tax is renewed through a ballot measure in the fall of 2019. This is because the districts cannot budget funds they do not have, and the district budgeting for the year occurs in April. Jeanne explained that this is the reason the renewal measure is on the ballot this year even though the current tax doesn't expire until December of 2019.

- **Approval of Revenue Budget**

Sam said that each year the EFB must approve its revenue budget for the coming year. He reviewed that in past, the SSEF used the City's revenue forecast as a basis for the budget. Now, the SSEF uses last year's actuals as the budget to which current revenues are compared.

MOTION

*Sam moved to approve a 0% change in the revenue budget year over year for 2018 - 2019. Cristina seconded the motion. **The motion carried unanimously.***

- **Calendar**

Cristina reviewed the proposed calendar of meetings and grant-related deadlines for the year. She noted that the agenda items listed on the calendar are only a guideline, and may change as needed.

MOTION

*Jay moved to approve the SSEF calendar of meeting dates and deadlines for the 2018 – 2019 year. Jon seconded the motion. **The motion carried unanimously.***

- **Committee Reports**

- Governance – Sam said that Norbert is attempting to create a robust policies and procedures document for the SSEF. The by-laws and policies and procedures documents should be reviewed every other year.
- Finance – Sam will ask if Adam wants to assume the role of Treasurer, as discussed last year.
- Communications – Jeanne said that no clear opposition to the ballot measure has been identified.

- **Advisory Committee**

Steamboat Springs Education Fund Board of Directors' Meeting

Brian stated that the Hayden School District is asking for a renewal of the existing mill levy, and that he has been hearing quite a few questions about proposed Amendment 73 and the relationship between the various education related ballot measures. He reviewed the proposed amendment. Additional information is available at www.casb.org. Brian and Jeanne agreed on the importance of local control as a talking point regarding both the sales tax renewal measure and the Hayden mill levy renewal.

- **Topics for October Orientation Presentation**

- Clarification of SSEF financial cycle, grant cycle and tax deposits
- Clarification of EFB vs. GC roles, particularly re: grant application review
- Encourage EFB attendance at GC application review meetings
- Term adjustments

- **Other business**

There was a discussion of the SSEF financial cycle, noting that current year tax revenues pay for the grants awarded the previous May. Linda noted that if tax deposits come in below expectations, payments to the grantees may have to be delayed. Sam offered that the biggest mistake the SSEF can make is to over-promise in its grantmaking. He suggested that an open discussion of the cash flow cushion and the possible need for a reserve to cover an economic downturn was needed.

- **Yes2Air**

Rob Perlman, President and COO of Ski Corp and Mark Walker, President of the Resort Group, made a presentation on the air service flight guarantee program and the proposed sales tax to support it. They emphasized the importance of direct flights to the local economy. The proposal is for a 0.2% (\$0.20 on a \$100 purchase) sales tax which would sunset in 10 years. This tax is estimated to raise \$1.3 million annually. There was a discussion of what percentage of sales taxes are paid by locals versus by visitors. The current estimate is that visitors account for 40% and locals 60%.

The EFB meeting adjourned at 7:30 p.m.