

Steamboat Springs Education Fund Board

March 4, 2020

5:30PM

Human Services Board Room

Education Fund Board Directors present included Sam Jones, Cristina Magill, Norbert Turek, Adam Alspach, Kandise Gilbertson, Jon Wade (via phone). Jim Beers, Jeanne Mackowski, Jill Brabec and Julie Tourigny were absent. Also in attendance were Linda Thomas (SSEF accountant); Tim Miles (SSSD); and Christy Sinner and Brian Hoza (HSD). 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**

No comments.

- **Meeting Minutes – February 5, 2020:**

MOTION

Adam moved to approve the EFB meeting minutes cited above, as written. Kandise seconded the motion. The motion carried unanimously.

- **Financial Report**

Linda reviewed the financial reports included in the meeting materials. She reported that last month's revenues were up 2.1% over forecast. Year-to-date SSEF revenues are up 9.56% over forecast. She said that if the EFB approves a 10% cash flow cushion, the total available funds to be allocated would be \$4,455,598. Linda noted that at one point in the past few months the bank balance got down to around \$50,000. She reviewed that the cash flow cushion is not a "reserve" because these funds are not set aside – they are simply left un-allocated to manage the cash flow of the fund. The cash flow cushion ensures that funds are available when invoices are submitted, and serves as a hedge if sales tax receipts come in less than expected. Linda noted that 10% was a placeholder; the EFB needs to set the amount of the cash flow cushion each year as part of the budgeting process. Linda added that the cash flow cushion does not remain untouched, as the cash balance fluctuates as grant payments are made.

- **Budget**

Sam said that the administrative expense budget also must be set each year. He noted that the 1% included in the allocation model would be \$44,550, which is far greater than administrative expenses have ever been. He said that the highest administrative cost was \$32,904 and the lowest was \$15,929. The 10-year average is \$26,385.

MOTION

Cristina moved to budget \$27,000 for administrative expenses for the 2020-2021 fiscal year, with the caveat that a supplemental budget could be requested, if needed. Kandise seconded the motion. The motion carried unanimously.

In discussion, it was decided that a cash flow cushion of approximately 10% makes sense.

MOTION

Steamboat Springs Education Fund Board of Directors' Meeting

Norbert moved to budget a cash flow cushion of \$495,000 for the 2020-2021 fiscal year. Adam seconded the motion. **The motion carried unanimously.**

MOTION

Norbert moved to set the total gross budget for the 2020-2021 fiscal year at \$4,950,665. Adam seconded the motion. **The motion carried unanimously.**

It was calculated that the gross budget minus the cash flow cushion and the administrative expense budget would leave \$4,428,665 available for granting. Sam said that any surplus over this amount would carry-over to next year. Linda added that if there is a shortfall, the SSEF is still obligated to the budgeted amount.

- **Committees Reports**

- Communications

Sam reported that he and Jeanne had met with City Manager Gary Suiter to request amending the contract with the City such that the SSEF would contribute a flat fee based on actual costs to cover the City's administrative expense, rather than 1% of revenues, as currently stated in the contract. Sam said that following a review of the actual expenses, Gary had declined the proposal. Sam said he had requested an accounting of the actual cost to collect and distribute the 0.5% sales tax. Following discussion of whether to push harder on this issue, the EFB decided that Sam should mention it in his "state of the fund" presentation to City Council on March 17th, but not take it any further until the accounting has been received and reviewed.

- Governance

There was a discussion of how best to tackle the policies & procedures task. It was decided that rather working on it in a meeting, Norbert would contact each EFB member, as well as Jenny, and compile a document for review by the EFB.

Norbert noted that the by-laws state that the EFB is allowed to have *up to* 11 members. He offered that a board of 11 members was unwieldy and unnecessary. He added that EFB members not active in committees lose interest and engagement. Sam noted the difficulty of filling the positions and the improved efficiency of the SSEF operations. Kandise suggested that all school district geographic areas should be represented. Currently only those living in the RE-2 district are allowed to sit on the board. Brian and Sarah offered that it was important to have a variety of perspectives and interests represented, particularly in policy discussions. Brian suggested that if the board is reduced in size, it might be wise to employ a two reading process in making policy changes. The EFB generally agreed that a board of 7 or 9 would be okay. It was decided that this issue should be discussed when more members are present.

Regarding the involvement of the advisory members, Brian stated that he and Christy make an effort to attend meetings to make sure that they are informed of and engaged in the process, and not only present when the money is awarded. He added that participation also provides some checks and balances to guard against radical changes, and provides the opportunity to lobby for fairness. He said that the superintendents share their perspectives on the process with each other.

- **Grants Commission Report**

Cristina reported that the GC had reviewed the Community Group applications and had made initial recommendations on funding, generally through consensus. Next week the GC will review the school district applications. At the April meeting the final recommendations will be determined.

- **April meeting**

There was a discussion of whether an EFB meeting in April was needed, given that the GC recommendations will not be available until after the scheduled meeting. It was decided that if Norbert has had the opportunity to compile sufficient information on policies and procedures to present to the EFB, the meeting will be held. If not, it will be cancelled.

The EFB meeting adjourned at 7:00 p.m.