

Steamboat Springs Education Fund Board

May 20, 2020

5:30PM

Zoom virtual meeting

Education Fund Board Directors participating included Sam Jones, Cristina Magill, Norbert Turek, Kandise Gilbertson, Jon Wade, Jim Beers, Jeanne Mackowski, Jill Brabec and Julie Tourigny. Adam Alspach was absent. Also in attendance were Linda Thomas (SSEF accountant); Jenny Maxwell (GC); Tim Miles, Jay Hamric, Mark Rydberg, Brad Meeks, Katy Lee (SSSD); Michael Girodo (MVMCS); Christy Sinner and Brian Hoza (HSD); and Rim Watson (Soroco). 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 – May 6, 2020:**

**MOTION**

*Cristina moved to approve the EFB meeting minutes cited above, as written. Jim seconded the motion. The motion carried unanimously.*

- **Budget Reset Discussion**

Jeanne reviewed the summary presentation of economic indicators and forecasts for the United States, Colorado, Routt County, Steamboat Springs and other comparable mountain communities. The presentation is included in the meeting materials. The City is currently projecting that sales tax revenues for 2020 will be down 22% from last year.

Sam stated that the goal of this meeting is to consider the available data and establish a preliminary budget. The final budget will be set and approved on June 3<sup>rd</sup>. Sam said that the Grants Commission would not be breaking down any allocations this year. The districts will be granted block grants, and asked to report back in the fall how the money was spent. The budget for Community Group grants will be set on June 3 with input from the districts.

Sam reported that sales tax revenues for March were down 30%, as expected. He said that with these revenues the SSEF will be able to pay the outstanding liabilities from the current grants, with approximately \$132,000 surplus. Sam noted that the role of the EFB this year is to act as steward of the funds, with the priority of granting only as much as the SSEF will be able to pay. In the event that the tax revenues far exceed the grants budget, there is a potential to re-evaluate and provide grantees with additional funding in January.

There was a discussion of how additional funds granted in January would be used, since adding staff at that point would be difficult. The district representatives all agreed that the priority for initial funding would be staff, and that any additional funding in January would probably be used for equipment or

operational costs. They all agreed that flexibility would be needed in how these funds could be used. Brad said that the amount of school funding from the state would not be known until Tuesday.

Regarding community group programming, Sam said that the districts had identified three priority groups for next year: Partners, ICCI and NW Colorado Health. Jenny offered that if the community group allocation exceeded the amount needed to fund these groups' requests, the remainder could be allocated to the districts proportionally. If it is insufficient to fully fund the requests, guidance would be needed from the districts regarding cuts. Brad said that he had spoken with Gretchen (RMYC) and Joe (Yampatika), who expressed interest in seeking private funding to provide school programming in a safe manner.

Sam offered that the best baseline to use in the discussion of the budget was last year's actual grants budget. He presented a spreadsheet showing the 2019/20 budget allocations and what reductions of 60% through 80% would look like. He noted that the amount allocated for administrative costs and the grant writer would remain fixed. He said that the sub-committee that compiled the economic data settled on a recommended reduction of 30%. Norbert stated that in the event of a shortfall he would want to ensure that the districts do not demand that the SSEF make up the difference out of the cash flow cushion. Sam said that no cash cushion would be set as it has been in the past, but that Jill had crafted a resolution to cover how any possible shortfall would be handled. Jill reviewed the proposed resolution #1 (included in the meeting materials). She said that appropriate language should be added to the grant award letters (contracts) stating that the reimbursement of the amounts granted could not be guaranteed, and that if necessary, the grant amounts would be reduced proportionally among all grantees. In response to a question from Linda, Jill offered that set payments dates could be established, with payments made according to the allocated percentage.

Sam suggested a total budget for granting of \$2.8 million, which would fall between a 25% and a 30% reduction from last year.

#### **MOTION**

*Cristina moved to set the total budget at \$2,800,000. This total includes that fixed line items for administrative costs and the grant writer. No cash cushion will be reserved. **Jim seconded the motion.***

#### **Discussion**

*Jon, Jim and Norbert each expressed support for the motion, citing the resolution provided by Jill to cover a shortfall and the ability to grant additional funds in January, if they are available.*

***The motion carried unanimously, with the Chair voting yes.***

Jill noted that in removing the Grants Commission recommendation from the process, and by not meeting the stated date of May 15<sup>th</sup> for the budget to be set, the EFB was acting outside of the SSEF by-laws. She presented resolution proposal #2 (included in the meeting materials) which would temporarily amend the by-laws for this grant cycle to address the problem and minimize the exposure of the Board.

Jenny proposed including language that refers back to the allocation model as the basis for the amounts granted. Following discussion, this recommendation was declined.

Norbert suggested making some permanent changes to the by-laws to add flexibility and correct some oddities in the stated grant process. The EFB decided to schedule a work session to discuss these matters prior to the June 3<sup>rd</sup> meeting, if needed. In response to a question from Linda, Sam stated that in the event

of a shortfall at the end of the year, no accounts payable would be carried over to the following fiscal year.

- **May 26 meeting**
  - Temporary or permanent revision of by-laws
  - Feedback from districts regarding community groups
- **June 3 meeting**
  - Set the budget and determine allocations for the districts and the community groups.

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