

**Robbinsdale Area Schools
FINANCIAL ADVISORY COUNCIL (FAC)
MINUTES FOR March 23, 2021**

Present	FAC Members
X	Gregg Fishbein
X	Earl Hoffman
X	Lennie Kaufman
X	Greg Kugler
	O. Barry Rogers
X	Howard Schwartz
X	Terry Swanson
	School Board
X	Pam Lindberg, Treasurer
	District 281 Staff
X	Stephanie Burrage, Interim Superintendent
X	Greg Hein, Executive Director of Finance

Other Attendees: Karylanne Marchand (Business Office Manager), Virginia Verbrugge (Assistant Finance Director), Marti Voight (Interim Assistant Superintendent).

The meeting was called to order at 6:32 PM on March 23, 2021 with the Council members noted above in attendance. Due to the COVID-19 Pandemic this meeting was held virtually with all members attending via the Zoom platform.

Agenda Item 1: Welcome and Introductions:

Chair Gregg Fishbein opened the meeting welcoming the attendees.

Agenda Item 2: Acceptance of Agenda:

The Agenda had been distributed to the members prior to the meeting as a link to the revised Zoom meeting invitation. Future attachments will be managed in a similar fashion (as opposed to receiving e-mail attachments). FAC members will be able to access all links so identified within future agendas. Mr. Schwartz raised the need to include the item reported in the January 12, 2021 minutes regarding the rescheduling of FAC’s meeting with the School Board. Mr. Fishbein suggested that this be addressed during Agenda Item 9: Other. A motion was properly made and seconded to accept the distributed Agenda. This motion passed unanimously.

Agenda Item 3: Approve the January 12, 2021 FAC Meeting Minutes:

A motion was properly made and seconded to approve the minutes of the January 12, 2021 meeting as distributed. The motion passed unanimously.

Agenda Item 4: Enhancing the Role of FAC:

Mr. Fishbein opened discussion regarding conversations he has had with Interim Superintendent Dr. Burrage and School Board Treasurer Ms. Lindberg regarding how the FAC is currently functioning and what direction the FAC needs to take in order to fulfill its mission as specified in the Bylaws. He focused on two major issues: (1) how and when information is

provided to the FAC for consideration; and (2) clarification by the School Board regarding FAC's role, as well as FAC's relationship with the Executive Director for Finance. "Are we truly *advisory* before the School Board meets and approves various administrative recommendations, or are we simply a rubber stamp after the fact?"

Dr. Burrage commented that she has recognized a "piece missing" when the FAC has not been involved at the Cabinet Task Force level where all of the administrative recommendations are evaluated, including financial impacts. Consequently, two FAC members would be invited to the Cabinet Task Force. In addition, Dr. Burrage recommended that the FAC should meet with the School Board twice per year. Presently, the Bylaws only specify one annual meeting. Finally, Dr. Burrage believed these recommendations were in harmony with the current Bylaws. The Cabinet Task Force usually meets every week on Monday, beginning at either 9:00 or 10:00 AM.

Mr. Fishbein asked for volunteers for the two Cabinet Task Force FAC members. Howard Schwartz, Earl Hoffman, and Greg Kugler expressed an interest. Dr. Burrage suggested that maybe some kind of rotation might allow all three FAC volunteers to participate. Mr. Fishbein agreed to take that suggestion under consideration and discuss further with the prospective FAC volunteers.

Mr. Fishbein announced that the FAC would be meeting with the School Board on June 7, 2021. At the next FAC meeting Mr. Fishbein recommended that there be a discussion on the agenda regarding proposing a Bylaws amendment to formally include language supporting two FAC/School Board meetings.

Agenda Item 5: Final Audit –Follow-up from January 12 Meeting:

Mr. Hein presented the *FY20 Comprehensive Annual Financial Report* and accompanying *Management Report*. A detailed discussion ensued regarding:

- Per-pupil spending data, including Sites/Building expenditures and capacity issues that would be impacted by enrollment declines.
- Enrollment trends, including impact of the pandemic and how many students the District might be losing to various competition options (i.e., "market share" losses).
- Excess building capacity costs, including custodial overhead and maintenance.

Mr. Hein also reviewed findings in the *Management Report*:

- All items found deficient have been corrected.
- Food Service bad debt situation needs to be addressed soon as there is still \$287,000 in bad debt beyond that which was written off during FY2020. Mr. Schwartz reiterated that this Food Service debt issue is not new and had been addressed by the FAC last year with a recommendation that the School Board needed to develop a policy that would effectively reduce the prospect of unpaid meals.

Mr. Fishbein expressed on behalf of the FAC a real appreciation for the excellent work done by the Finance Division and Mr. Hein. The auditor's *Management Report* stated that their overall impression was that the District's financial reporting is well-managed. Ms. Lindberg asked that the FAC convey this message to the public as part of the FAC's charge.

Mr. Hein reiterated that only structural changes in revenue and expense (as opposed to one-time revenue and/or soft funding opportunities) will continue to reflect School Board commitment to balancing the budget and enhancing the Unrestricted Fund Balance.

On the subject of federal and state COVID funding support, Mr. Hein reported that “COVID-2” represents an additional \$9.6 million to compensate for extraordinary costs incurred in the provision of unique COVID-related District expenses. This is in addition to the \$3.85 million received under CRF and the \$3.47 million received under CARES-1. It was requested that for the next FAC meeting Mr. Hein would produce reports on what and how these funds have been spent.

Agenda Item 6: Transportation Update:

Mr. Hein presented an update on the current status of Transportation bidding in conjunction with discussions pertaining to changing bell times at the Elementary, Middle and High Schools. Busing “efficiency” translates to reducing the number of buses and bus runs. By changing bell times [i.e., Elementary (8:00 AM – 2:20 PM), High School (8:30 AM – 3:20 PM), Middle School/SEA/RSI (9:15 AM – 4:00 PM)], the District could experience a reduction in 10-11 regular bus routes thereby generating potential savings of ~\$500,000. District Transportation currently follows a hybrid model whereby the District provides certain services along with First Student. Three proposals were received: First Student, Durham School Services, United Transportation. Providing all transportation services on an in-house basis has also been considered as an option. Mr. Hein also presented other ancillary costs (e.g., terminal upgrades, human resource expenses, etc.). Action on both Transportation and Bell Schedule will be taken up by the School Board at their next meeting.

Agenda Item 7: Building Capacity Study Update:

No additional information at this time. More information to be presented at the next FAC meeting.

Agenda Item 8: School Learning Pathways:

In Dr. Burrage’s absence, Interim Assistant Superintendent Marti Voight presented the Learning Pathways proposal currently under consideration by the School Board. Substantial questions were raised regarding how this program approach supports maintaining and increasing District enrollments, both residential students along with open enrollment students. Serious concerns were expressed regarding the loss of resident students to other districts and schools, along with how the pandemic will impact the number of students returning in the fall. How will the enrollment projections offset any increased costs associated with implementing School Learning Pathways? There was general consensus among FAC members that Mr. Hein needs to present a pro forma on financials associated with this proposal at our next meeting. Dr. Voight indicated that she would arrange for Ms. Meghan Hickey, Director for Student Services, to attend the next FAC meeting.

Agenda Item 9: Other:

- Future FAC meeting date: May 11, 2021.
- School Board Business Meeting/Work Session: April 6, 2021, @ 6:00 PM.
- FAC Report to School Board: June 7, 2021, @ 6:30 PM.

Agenda Item 9: Adjournment:

After a proper motion was made and seconded to adjourn our meeting, the meeting was adjourned at 9:10 PM.

Minutes submitted by Howard Schwartz