



**Colorado Springs School District 11**  
Superintendent Dr. Nicholas M. Gledich  
**Division of Business Services**  
Deputy Superintendent/CFO Glenn E. Gustafson, CPA  
Director of Budget and Planning Kenneth L. Wieck, CPA

**DAC Budget Subcommittee**

Web page: [District Accountability Committee \(DAC\)](#)  
Chairman Enid Ruiz-Mattei

**Meeting Notes**

January 10, 2017

6:00 p.m.

**Members present:** Deborah Boisselle, Lara Crowell, Jamie Cushenbery, Marilyn Eggleston, Gwen Giddens, Parth Melpakam, Bob Miner, Trish Nixon, Jan Rennie, Enid Ruiz-Mattei Carl Schueler, Toni Seberger, and Jared Welch

**Members absent:** Pete Lee, Kim Polomka, and John Roebke

**Ex-officio members present:** Laura Hronik, Ken Wieck, and Becky Moore

**Member candidate present:** Community member Bob Null

**Guest:** Assistant Superintendent and Chief Information Officer John McCarron

The meeting came to order at 6:05 p.m. Chairman Ruiz-Mattei welcomed all and thanked everyone for coming this evening. Ms. Nixon made a motion to accept the meeting notes, which was seconded by Ms. Rennie. The meeting notes were unanimously approved and will be posted to the DAC web page.

There was no meeting of the DAC in December and the January meeting will be on the 19<sup>th</sup>. The DAC will review this subcommittee's board recommendations at that meeting and invites members to attend. Mr. Schueler indicated that there is a DAC training event on February 2, 2017 regarding parent support processes.

Mr. Miner had an item of interest to share with the subcommittee and invited members to investigate a 9<sup>th</sup> grade career project he had done in high school in 1951. The project was reviewed by many of the membership before and after the meeting.

Ms. Ruiz-Mattei introduced Mr. McCarron to the subcommittee. Mr. McCarron attended this evening's meeting to give the group an explanation of the budget modification request (IT-1) to renegotiate the dark fiber contract with Colorado Springs Utilities (CSU). The subcommittee reviewed this request at the last two meetings and in their recommendation to the board, will not give the request an approval. Mr. McCarron reviewed the following and answered the group's questions.

- Structure and location of the dark fiber ring
- CSU's ownership, maintenance, and responsibilities
- District 11's ownership, maintenance, and responsibilities
- Conditions of the contract with CSU to renegotiate payment terms of the existing 20-year lease contract and timing of the request (mid-year vs upcoming budget year)
- Other providers of similar services
- Changes in technology and time lines
- Upgrades, past, present, and future
- What improvements are currently taking place and how these improvements are distributed throughout the schools
- Capabilities of current system and changes
- E-rate reimbursements
- Wireless technology and its limitations
- The District's internet system and its reliability

The subcommittee members thanked Mr. McCarron for taking the time to meet with them. The group decided that this new information shed a positive light on the budget modification request regarding the CSU contract. They also welcomed the chance to meet the District's new assistant superintendent and chief information officer.

Following Mr. McCarron's review, Mr. Wieck brought up a presentation regarding the 2016-17 budget modifications. This presentation is the same as will be presented to the Board of Education the following evening. The subcommittee's report will also be a part of the mid-year budget modification review by the Board. Mr. Wieck made the following points regarding the modified budget:

- The reasons for a mid-year budget modification
  - Total program funding changes
  - Assessed valuation changes
  - Per pupil revenue and negative factor adjustments
- Key changes from the 2017 adopted budget
  - Certified vs projected pupil count
  - Changes in funded pupil count
  - Per pupil funding rates and adjusted rates
  - The negative factor
  - Property tax changes
  - Specific ownership tax changes
  - State equalization
- Impact of the negative factor on total program funding
- Other notable changes to general fund sources
  - Audited fund balance
  - E-rate reimbursement
  - Medicaid reimbursement
  - Operating transfers in and out
  - Additional mill levy override operating transfer
  - Operating transfer to Food and Nutrition Services
- Mid-year budget modification requests
  - Increase school-based teacher substitute budget
  - Address new minimum wage law
  - Annual lease for dark fiber with CSU
- Changes to general fund reserves
  - Multi-year obligations
  - Teacher FTE reserve
  - PERA
  - Encumbrance reserve
  - Information technology reserve
  - John Adams/Helen Hunt elementary schools move
  - TABOR reserve
  - Contingency reserve
- Changes to other funds
  - Risk Management
  - Preschool
  - Grants
  - Food Services
  - Mill levy override
  - Capital reserve capital projects
  - Benefits
  - Production printing

Brief question and answer review of the following:

- State budget picture with regards to K-12 funding
- State and local tax revenue
- The general fund contingency transfers reviewed in December

The subcommittee decided to cancel the January 24, 2017 meeting as the preliminary budget development assumptions will not be available yet. The next meeting of the subcommittee will be Tuesday, February 14, 2017 at 6:00 p.m. to begin review of the 2017-18 preliminary budget development assumptions (green sheet).

The meeting adjourned at 7:25 p.m.

**Next Meeting: February 14, 2017 at 6:00 p.m. in the District 11 board room.**