



Mill Levy Override Oversight Committee

MEETING NOTES

February 16, 2021

6:30-8:00 p.m.

@ WebEx

Members present: Kenneth Davis, Jerry Carney, Cynthia Bernard, Ayla Bertetto, Stacy Fisher, AJ Mangum, Jane Morgan, Jan Rennie, Joseph Shelton, Jay Smith, Vickie Tonkins and Daniel Yaciuk

Members absent: Dierdre Aden-Smith, Jacqueline Dowds-Bennett, Erin Hobson, Chip MacEnulty, Karen Petersilie and Elaina Richardson

Guests: John McCarron and Jason Reynolds – D11 Technology

Ex-Officio members present: Glenn Gustafson and Kim Gilstrap

Preliminary Items:

1. Welcome and Introductions

Mr. Davis began the meeting at 6:34 pm

2. Approval of the Agenda

The committee reviewed this evening's agenda and the agenda was unanimously approved.

3. Approval of the Meeting Notes

Mr. Davis called for a motion to approve the meeting notes from December 15, 2020 and said notes were unanimously approved, with no changes.

4. Monthly Financial Statement Update (December and January)

Mr. Gustafson began with December, showing the Property Tax collections were very low but not that uncommon, for December. However, the statement shows we are right on track, with Year-to-Date expenses at 50% on most line items. January's collections showed great improvement and, historically, February through May is when the majority of those payments come in. Mr. Gustafson went on to reassure, that although the month of December shows a \$5 million loss, bringing the YTD loss to a total of \$28 million, with the largest amount of revenue is still to come, he feels there is no need for concern. With no questions, from the committee, Mr. Davis brought to our attention that both monthly statements show the same totals for expenditures and revenues, under the annual budget workflows. Mr. Gustafson agreed and stated he will review with Ms. Gilstrap.



Action: No Action agenda items were presented/discussed

Non-Action Items:

5. *Fiscal year 19-20 Annual Report*

Mr. Gustafson shared the link to the completed MLO Annual Summary, to make the committee aware that it is now on the site, for viewing. He expressed how pleased he is with the new formatting and overall appearance of the Annual Summary. He added that the old PIP format was included, this year, only for reference, as they offer more detail and may be beneficial for corporate memory. Mr. Gustafson stated that he forwarded a copy of the document to the Board of Education, through Friday Night Notes. He also informed the committee that Ms. Gilstrap has started to update documents, for next year's book and assured its completion to be timelier than this one.

As mentioned by Ken Davis, in December's meeting, he suggested a forum, for public feedback. To that, Mr. Gustafson replied there is now a form on the site and, although he hasn't received any feedback to date, any questions, comments or concerns submitted will be addressed in a timely manner.

6. *\$8M Loan to PIP 2017-8 (Capital Renewal) Plan Amendment*

Mr. Gustafson reflected on the Plan amendments, in 2018, of PIPs 2017-8 (Capital Renewal/Improvements) and 2017-10 (Bond Debt Reduction): *The amendments afforded PIP 2017-10 to loan \$8M to PIP 2017-8, to cover emergent structural repairs throughout the district, with a promise to pay it back over a 4-year period, beginning about 2022.* Now that we are nearing that target date, for repayment, he is proposing that those funds not be repaid. In summary, his rationale is to avoid the on-going task of moving money from one account to the other, only to have to move it back, in the end. The intent of D11 is still to move forward with the plan to re-pay those funds but in an overall, more seamless manner, still able to call all bonds on December 1, 2022, still satisfying our promise to the community and moving forward to invest in our capital infrastructure.

This proposal was met with questions, from the committee, along with challenges to the November 2021 forecasted proposal, to the Board of Education, for a "No Tax-Increase Bond Issue". After much debate and discussion, Mr. Davis made a motion to table the proposal until the MLO Committee meeting in September 2021, which was seconded by Mr. Carney.

7. *Discussion/Amendment of PIP 2000-14 – Full-Day Kindergarten*

Mr. Gustafson acknowledged PIP 2000-14 is for the Full-Day Kindergarten Program and stated that this is the second year, which the state has fully funded. Subsequently, a previous Plan amendment allowed for an isolated, non-recurring use of a portion those allocated, unused funds and has still left un-allocated MLO funds. Along with John McCarron, they proposed an amendment, on a non-recurring basis, to use those un-allocated funds for the increased annual technology replacement cycle needs, brought on



by the pandemic. Mr. McCarron stepped in to explain his budgeting methods and his upcoming modification process, to cover the cost of maintenance, repair, replacement and sustainability of the district's essential technology devices. Mr. McCarron, with assistance from Jason Reynolds, explained the break-down of the annual program cost. They estimated \$2.5M, which would easily be covered with the \$2.4M, from the Kindergarten program.

Mr. Davis and Mr. Carney expressed concerns with our current network ability to support all of the additional devices and moving forward, will there be the need for another amendment, if the proposed plan is not 100% solid. Mr. McCarron reassured the committee, with his rationale of the growing technology needs and the importance of supporting funds, that his team has already completed a total overhaul of D11's network system and it has the capacity to be above and beyond expectations, in terms of support and growth. With no other questions, Mr. Gustafson has requested that Mr. McCarron prepare a draft amendment, to PIP 2017-6, to be presented as an Action item, on the March meeting Agenda.

8. *MLO Phase-in Report*

Mr. Gustafson shared the Allocation Phase-in Report with the committee, referring to it as our 'Bible', reiterating a previous request to ensure this report is included in the meeting packet, for all MLO Committee meetings, going forward. He explained that, with some clean-up and added reconciliation, this report is an invaluable tool and crucial, for tracking every MLO line item. Currently, this report reflects the projection of the \$2M annual payment, beyond the bond debt pay-off in December 2022. Additionally, it provides clarity for the amount of phase-in, to the bond-redemption, the district's progress toward the re-payment and goal time-frame. He encouraged the Committee to continue using it, beyond his retirement from the district and service with the MLO Committee. Glenn expressed his pride in holding good on our promise to re-pay all of D11's debt. No questions presented, for this topic.

9. *Guest, John McCarron, to discuss the Technology PIPs*

- *PIP 2000-5: Technology component of Instr. Supplies*
- *PIP 2000-9B: LTEs*
- *PIP 2000-11B: Technology Support*
- *PIP 2017-4: School Security Enhancements*
- *PIP 2017-6: Technology Replacement Plan*
- *PIP 2017-7: Technology Support Staff*

Mr. McCarron began with a presentation of slides (added to the meeting packet, in pdf format), covering a total of 6 PIPs in his briefing. He is targeting 3 PIPs from the 2000 MLO and 3 from the 2017 MLO. He first introduced Dave Engstrom's PIP 2000-5, with a basic overview. PIP 2000-9B is still on track with sustained staff support technicians. However, he is calling this his 'base-line year', for Security measurements, in terms of how safe the students feel, on campus. Mr. McCarron provided some detailed explanation of how provided funding is utilized to sustain more than half of the overall budget requirements, for 3 key departments, which encompass technology and support for the backbone of the D11 communications systems, including staffing/salaries and software licensing. These departments ensured 99.9% total up-time of the district's main network systems.



Moving on to the 2017 MLO PIPs, which are very specific, PIP 2017-4: School Security Enhancements, provides for an additional 5 (up from 2 in 2019-20) contracted, full-time School Resource Officers (SRO). These officers provide coverage to 9 of the district's middle schools, along with the contracted services of officers with Colorado Springs Police Department. The funds for this program provide roughly 75% of the total compensation package, to the SROs, which is budgeted at \$75K, per SRO. PIP 2017-6 is in 'green' status, as the 3-year replacement cycle is completed, with the \$3M budget covering the successful implementation of the Cisco VOIP system. Mr. McCarron explained that he is working with his team, to decrease the \$40M in overall technology assets, as the current funding does not support sustainability of those assets, even with MLO and CARES Act funds. He is forecasting a 50% increase in budget, calling it 'reactionary budgeting', to cover asset replacement, going forward. PIP 2017-7 accounts for an annual allocation of \$320K, to provide 2 additional Operation Support Specialists and 2 Junior Network Engineers. The Junior Network Engineers provide customer support/services with timely responses, allowing the Operation Support Specialists to work in split shifts, enabling them with time to spend on after hours projects, while providing overall sufficient coverage. This is proven through a process of surveys that resulted in a 93% satisfaction rate, at the end of 2019-20. However, MLO funds are only covering 87.4% of the teams 4 positions, causing some erosion the budget and ultimately the District's General Fund.

10. Future Agenda Items

- a) Amendment of PIP 2017-6: Technology Replacement Cycle
- b) Suggest guests to discuss other PIP items
- c) John McCarron to return in April and discuss a drafted plan of action, for all schools, in times of outage.

Adjournment:

Mr. Davis adjourned at 8:02 p.m.

Future Meetings:

Tuesday March 16, 2021	6:00 pm	Webex
Tuesday, April 20, 2021	6:00 pm	Webex