

Minutes of the Policy/Program Subcommittee

November 19, 2024 / 12:00 - 1:00 PM / MERSD Conference Room & Webex

Present: Theresa Whitman, Kate Koch Sundquist, Erica Spencer, Pam Beaudoin, Michelle Cresta

Call to Order

12:00 PM

Discussion on Policy Revisions and Updates

Reserves Policy

- The subcommittee reviewed ongoing updates to the reserves policy, integrating recommendations from financial advisors and auditors.
- Discussion centered on incorporating a structured approach for maintaining reserves and stabilization funds.
- Members debated the merits of utilizing the Triton model as a template, noting its clarity and emphasis on long-term financial planning.
- Consensus was reached to refine the reserves policy with clearer language on thresholds and replenishment strategies.
- Members agreed to present a summary of proposed changes at the next full committee meeting before moving forward with a first read.

Financial Considerations Related to Reserves

- The subcommittee reviewed current stabilization and Excess & Deficiency (E&D) fund balances:
 - Stabilization Fund: \$1.5 million
 - E&D Funds: Approximately \$1.4 million
 - Combined Total: Approximately \$2.9 million
- Discussion on whether the 8% reserve cap remains appropriate given upcoming capital expenditures.
- Financial advisors' input highlighted the importance of balancing reserves with projected facility expenses.
- Members debated whether adjustments to the target percentage should be made based on evolving financial needs.

Use and Replenishment of OPEB (Other Post-Employment Benefits) Funds

- Discussion on the district's approach to OPEB funding and potential adjustments to contribution levels.
- Members reviewed prior use of OPEB funds as a budget offset and considered implications for long-term financial planning.
- The need for clearer policy language regarding OPEB contributions and withdrawal mechanisms was identified.
- Agreed to consult with actuaries for guidance on responsible OPEB funding strategies.

Next Steps

- The subcommittee will draft a refined version of the reserves policy incorporating feedback from the meeting.
- A report summarizing key discussion points and proposed changes will be presented at the next full committee meeting.
- Further consultation with financial advisors and actuaries to ensure alignment with best practices.
- The finalized draft will be prepared for committee review and public input before moving forward with a first read.

Adjournment

1:00 PM