

**REGULAR MEETING MINUTES OF THE FINANCIAL ADVISORY COUNCIL (FAC)**  
**THURSDAY, JANUARY 10, 2019 – 6:30 P.M.**  
**EDUCATION SERVICE CENTER, NEW HOPE, MN**  
**APPROVED**

MEMBERS PRESENT: Lennie Kaufman, Barry Rogers, Cheryl Felix, Dr. Kristina Harris, Earl Hoffman, Carlton Jenkins, Greg Hein, Helen Bassett

SCHOOL BOARD MEMBERS PRESENT:

MEMBERS ABSENT: Greg Fishbein, Steve Schmidgall, Richard McGregory

CALL TO ORDER

The regular meeting of the Financial Advisory Council was called to order at 6:38 p.m.

NEW MEMBER

Mr. Hoffman introduced himself and provided a brief background.

ACCEPT AGENDA

There being no changes or corrections to the agenda, a motion was made by Felix, seconded by Hoffman, to APPROVE THE AGENDA AS PRINTED. Motion carried.

APPROVE MINUTES

There being no changes or corrections to the November meeting minutes, a motion was made by Bassett, seconded by Hoffman, to APPROVE THE NOVEMBER 14, 2018 REGULAR MEETING MINUTES OF THE FINANCIAL ADVISORY COUNCIL AS PRINTED. Motion carried.

2018-19 REVISED BUDGET

Mr. Hein introduced Ukee Dozier, Fiscal Operations Director, in his new role in the finance department.

Mr. Hein presented the Revised General Fund Budget 2018-19 and indicated that it was scheduled to go to the school board for vote two days ago but because it is a public meeting, with the elevator inoperable, has been rescheduled for January 14, 2019.

The budget has recently gone through a thorough line by line review and proposed revisions presented reflect the results of this review. The 2017-18 adoption of a balanced budget later revealed number inaccuracies causing the 2018-19 budget to start with a \$1.3 million unassigned deficit. Attributed to this deficit was various reductions that did not match up as well as not all expenditures were accounted for. Revenue revisions have all been positive resulting in just under \$3.2 million. Enrollment for the school year exceeded projections of more than 300 students. Concerns were expressed regarding the models used to predict enrollment. Questions were asked in terms of how these numbers can be refined to get closer to the ideal 99-101 percent range, which is what the district needs to strive for. Discussion included the need to retain students by having the right culture and climate and better marketing.

Non-labor, labor and benefit expense revisions were discussed as well as the revised general fund budget for 2018-19 with a preliminary projected deficit of \$6.2 million before proposed mid-year adjustments. Revisions accounted for \$2.4 million, resulting in the final proposed unassigned projected deficit of \$3.8 million. Final audited unassigned balance FY18 was \$2 million leaving a total projected unassigned balance FY19 at \$5.8 million. Discussion ensued around the high deficit noting that there is not much room left to cut expenditures; there is a revenue problem, the cost of living has not kept pace with expenses, which reflects enrollment

numbers whereby a more accurate accounting is needed. Also, the current government shut-down was discussed in relation to the potential impact on the district. It was agreed that the public is owed an understanding of the budget and challenges going forward.

2019-20 STAFFING AND BUDGET TIMELINE

Mr. Hein briefly reviewed the 2019-20 Staffing/Budget Timeline pointing out specific budget due dates.

OTHER

None.

NEXT MEETING

Thursday, March 7, 2019 @ 6:30 p.m.

ADJOURNMENT

There being no further discussion, a motion was made by Kaufman, seconded by Rogers to ADJOURN THE MEETING. Motion carried.

Time of adjournment: 8:07 p.m.

Respectfully submitted,

Cheryl A. Felix, FAC Secretary