



Finance Advisory and Capital Projects Oversight Committee Minutes
September 15, 2022 – 4:00 P.M.

Committee Members:

Present: Rich Polkinghorn, Doug Holmes, Chrissy Reitz, Sandra Bielen, Michael McElwee, Jen Kelly, Columba Jones

Absent: Gus Hedberg, Ted Cramer HREA Rep, Nancy Rowley OSEA Rep

The following HRCSD staff/community members present: Erica Greer, Bill Newton

1. Welcome & Call to Order – 4:03 P.M.

Chief Financial Officer Doug Holmes called the meeting to order at 4:03 pm on September 15, 2022 in a virtual google meet.

2. Public Comment

Chief Financial Officer Doug Holmes shared no one had signed up for public comment.

3. Reports & Discussions

A. HRCSD & Capital Projects Update

Superintendent Rich Polkinghorn shared the following information with the committee:

Polkinghorn shared that the district just finished their first full week of school. He stated there was an overall feel of happiness and positives in all the schools. He shared during his visits to schools he saw lots of welcoming activities and it was great to see teachers and students back in buildings. Polkinghorn shared that it has been a welcome change getting back to normal from COVID.

Polkinghorn shared moving forward Wenaha and Griffith Construction will be attending these meetings starting with next month. He shared that the main construction project and only one at this time is at Hood River Middle School. Through some setbacks the project is ongoing and underway. Polkinghorn thinks they are a little behind schedule, but not by a lot. He shared that they are using capital excise tax and bond monies to complete this project.

Polkinghorn shared the next project is to install a portable classroom at Parkdale Elementary. If the board approves this project it would have a completion date of approximately after winter break. He shared Parkdale Elementary's enrollment has grown to the point they have outgrown their space. Also HVAC updates to Parkdale Elementary in the east side of the building using mini splits. He said that the repair and replacement of air conditioners at Mid Valley is a project in the design stage.

Superintendent Polkinghorn shared he is planning community engagement outreach and designing how they are going to gather that feedback. He hopes to have round table discussions and some engagement with parent groups and civil groups. Polkinghorn shared they will also have targeted focus groups to get feedback and hopefully it's rolled out in the next couple of weeks.

Polkinghorn shared information on enrollment numbers and shared the district is on a downward trend with enrollment. He shared funding is dependent on enrollment numbers and something they are monitoring. He shared that the district

wide enrollment number is approximately 3900 students. He shared this is a statewide trend in public education, he said relative to the state numbers it is not as big of decline as other districts. He shared that teachers and administrators are fully staffed, but still recruiting support staff is the biggest challenge.

B. Financial Report

Chief Financial Officer Doug Holmes share the following information with the committee:

Holmes introduced Erica Greer to the committee as the new district accounting manager/controller. Holmes is excited to have her join the district team.

Holmes asked the committee to note this report was more focused on the YTD (year to date) actuals than the budget. He stated the budget and forecasts were being worked on. Holmes shared at this time September payroll has not been posted. The September payroll is key as it shows the district who has been hired and where they are. The district uses that payroll to encumber for the rest of the year. It is at that point the district can then level out our forecast and true up the budget needs for salaries and benefits. Holmes stated this would be reflected in October when the committee reviews the updated forecast. In early November the district will get the new State School Fund District Estimate based on September / October enrollment reports. He continued that in November the district will be finalizing the Audit and he hopes to have all of the financial year 2022 Ending Fund / financial year 2023 Beginning Fund balances confirmed and entered into our financial systems. He continued that also in November the district will get the local tax payments which will help spread and forecast these figures. The November report presented in December will give the committee the best look at the fiscal 2023 forecast.

Holmes then referenced the charts in his report stating this first chart represents all funds within the budget. Revenue YTD is \$8.5 million compared to prior year's \$7.8 million. Expenditures are \$4.9 Million compared to prior year \$3.9 million.

Holmes shared the second chart representing the General Fund. Revenue is \$8.4 million compared to prior year's \$7.8 million. Expenditures are 2.7 million compared to prior year \$2.5 million

Holmes shared that the third chart represents all the special funds from 200 through 299 and include items such as Food Services, Bus replacement, Biennial reserve, ESSERIII, Student Investment Account and Measure 98 / High School Success. He stated revenue is \$54.5 thousand compared to prior year's \$99.9 thousand. Expenditures are \$2.0 million compared to prior year \$1.4 million. Holmes noted these funds are primarily reimbursement grants so the expenditures happen prior to the revenue.

Holmes shared that the fourth chart represents the district's Debt Service fund. Revenue is \$6.1 thousand compared to prior year \$4.3 thousand. No expenditures were done this year or last at this time. He shared with the committee the district debt service payments are normally made in the months of December and June covering amounts due for principal and interest.

Holmes shared that the fifth chart represents all of what the district would consider our Capital Funds which include Capital Projects, Construction Excise Tax, Energy Projects, and the Property fund. He stated revenue is \$7.0 thousand compared to prior year's \$7.0 thousand. Expenditures are \$210.1 thousand compared to \$130 prior year. Primary expenses are related to the HRMS project.

Holmes shared the following four charts to represent comparisons of year over year detail and summarize the information on the individual fund charts. The figures represent the Year to Date revenue or expenditure as a percent of the budget for that month for the current year and for the prior year they represent the percent of actuals.

Holmes asked the committee to please note that revenues can have variances from prior years as many of our funds are on a reimbursement basis where we expense items prior to taking in the revenue based on timing. He shared the following chart:

Revenue sources

- 1000's Local – taxes, local option, construction excise tax, tuitions, earnings on investments
- 2000's Intermediate – County School Fund, CGESD
- 3000's State Sources – State School Fund
- 4000's Federal Sources – Direct from Federal Govt, Fed Govt through State, Medicaid reimbursements, Federal Forest Fees
- 5000's Other Sources – Long term Debt proceeds through bonds, accrued interest, sale of assets

Expenditures

- 1000's Instruction – Elementary, Middle, High School, and Alternative Ed
- 2000's Support Services – Social Work, Guidance, Health, Psychological, Speech, School Administration, Transportation, IT
- 3000's Community Services – Food Services, Community Ed
- 4000's Facility Acquisition and Construction – Capital
- 5000's Other Uses – Debt service, transfer of funds
- 6000's Contingency – budgeting only
- 7000's Unappropriated Ending Fund Balance – An estimate of funds needed to maintain operations of the school district from July 1 of the ensuing fiscal year and the time when sufficient new revenues become available to meet cash flow needs of the fund. No expenditure is made from this balance in the year in which it is budgeted.

Holmes shared the variance report analysis gives explanations of Revenue and Expenditures within the General Fund, which when reviewing Revenue and Expenditures has a combined \$232.2K favorable surplus for the current year period.

He continued that the last few charts represent Grants and Donations for the district. He stated this chart shows the fund and area numbers along with their descriptions. He noted many of the carryovers using the -001 numbering on this report have 9/30/2022 dates. When reviewing this chart, he stated the committee may notice some dates into 2024, he explained those grants if not spent this fiscal year will carry over into 2023-24 fiscal year.

The committee discussed enrollment trends and how data on enrollment is acquired and shared with the state.

4. Adjourn – 4:50 P.M.

RP:mw