



Finance Advisory and Capital Projects Oversight Committee Minutes
October 19, 2023 – 4:00 P.M.

Committee Members:

Present: Bill Newton, Chrissy Reitz, Garrett Apland, Columba Jones, Jen Kelly, Sandra Bielen

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

The following HRCSD staff/community members present:

Doug Holmes, Nancy Hall, Erica Greer, Tod Hilstad

1. Welcome & Call to Order – 4:06 P.M.

Superintendent Bill Newton called the meeting to order at 4:06 pm on October 19, 2023 in a virtual google meet.

2. Public Comment

Superintendent Bill Newton shared no one had signed up for public comment.

3. Reports & Discussions

A. HRCSD & Capital Projects Update

Newton shared that Parkdale Elementary School's HVAC and Mid Valley Elementary's HVAC project have both come in under budget. The HRVHS roof project will use all the budget dollars for that project. Another project that just came up was the boiler at Cascade Locks Elementary, noting it is a costly and timely project. Reitz mentioned that Cascade Locks roof also needed attention and Newton shared that patchwork has been scheduled along with a roof assessment. Kelly asked Newton about the goal/objective to continue to support capital improvements moving forward in the future. Holmes shared about the use of construction excise tax to support these projects. Kelly asked for clarification with the flux of construction excise tax and Holmes shared that hopefully the district will get back to seeing what it brought during historical years. The committee talked about the use of the construction excise tax.

B. Financial Report

Doug Holmes shared the following information with the committee:

Holmes asked the committee to please note this report is focused on the Year to Date (YTD) actuals compared to the prior YTD actuals. He shared the following is a high-level review of the September 30, 2023 Financial report.

Please note this report is focused on the YTD actuals compared to the prior YTD actuals.

Holmes shared this first chart represents all funds within the budget. Revenue YTD is \$12.1 million compared to prior year \$11.7 million. The overstated Revenue from the August report has been corrected. Expenditures are \$10.7 million compared to prior year \$12.2 million. He shared the overall Budget for this year is \$96.7 million.

Holmes shared the second chart representing the General Fund. Revenue YTD is \$11.8 million compared to prior year's \$11.5 million. State Sources (SSF) are higher than the previous year. Expenditures are \$8.0 million compared to prior year \$8.4 million. Some areas of expenditure increases over the prior year are salaries, APC, and other objects / insurances. Please note on the chart the field representing the ending fund balance as a percentage which is now at 4.02% of operating revenue. Board Policy is 5% EFB

along with .5% for contingency. The EFB projection of \$2.27 million will be clearer after December month end and the fiscal year 2023 audit is finalized.

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, Measure 98 / High School Success, other Grants and Donations. Revenue YTD is \$267.8 thousand compared to prior year's \$112.5 thousand. Expenditures YTD are \$2.6 million compared to prior year \$3.2 million. These funds are primarily reimbursement grants so the expenditures happen prior to the revenue.

Holmes shared that the fourth chart represents our Debt Service fund. Revenue YTD is \$3.7 thousand compared to prior year \$30 thousand. These revenues come from local taxes to cover our General Obligation Bonds. Expenditures are \$zero compared to prior year \$zero. Our Debt service payments are normally made in the months of December and June covering amounts due for principal and interest. Payments must be received prior to the due dates. The budget amounts on this page reflect what was in the debt schedule within our Budget Document.

Holmes shared that the fifth chart represents all of what we consider our Capital Funds which include Capital Projects, Construction Excise Tax, Energy Projects, and the Property fund. Revenue YTD is \$16.8 thousand compared to prior year's \$50.1 thousand. Expenditures are \$28.8 thousand compared to \$636.0 thousand prior year. Primary expenses are related to the HRVHS Roof replacement project which remains on track and within budget. We expect the final billing for the HRVHS project to be in December, 2023.

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. Please also 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.

Holmes shared the variance report analysis gives explanations of Revenue and Expenditures within the General Fund, which when reviewing Revenue and Expenditures they look at historical spend to current spend and that is how the positives and negatives are explained. The graphs show a more detailed look at current year to prior year revenues and expenditures. On the expenditure side items contributing to this increase over prior years is an increase for salaries for Admin as we changed their payroll schedule to 12 months versus 11 and purchased services, primarily contracted repairs and insurances.

Holmes continued that the last few charts represent Grants and Donations for the district. This chart shows the fund and area numbers along with their descriptions. Many of the carryovers using the -001 numbering on this report have 9/30/2023 dates. When reviewing this chart, you may also notice some dates into 2025, those grants if not spent this fiscal year will carry over into 2024-25 fiscal year.

Newton thanked Sandy Bielen for her last meeting as a committee member. He thanked Holmes for his work over the last 2.5 years. He shared that Nancy Hall is our interim CFO and she has supported the district over the past few years in different roles. Reitz thanked Bielen for her service on the committee over the past few years.

4. Adjourn – 4:41 P.M.

BN:mw