



Finance Advisory and Capital Projects Oversight Committee Minutes
September 14, 2023 – 4:00 P.M.

Committee Members:

Present: Bill Newton, Doug Holmes, Chrissy Reitz, Gus Hedberg, Sandra Bielen, Garrett Apland, Ted Cramer-HREA Rep, Michael McElwee, Columba Jones

Absent: Nancy Rowley-OSEA Rep, Jen Kelly

The following HRCSD staff/community members present:

1. Welcome & Call to Order – 4:02 P.M.

Superintendent Bill Newton called the meeting to order at 4:02 pm on September 14, 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 last night at the board meeting Holmes and Luke Harkness of the Wenaha Group presented a Capital Projects Report. He asked Holmes to review the presentation for the committee. Holmes shared about the Mid Valley Elementary Air Replacement, Parkdale Elementary HVAC, and the Hood River Valley High School Roof project. The committee spoke about the life of the roof at the high school and the scope of the project.

B. Financial Report

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

Holmes thanked Sandy and Michael for being Community Members on the FAC. He shared the policy for the committee has a 4 year term for community members and based on this the October 2023 meeting would be their last scheduled meeting. He shared if they are interested in being on this committee going forward, to please submit a new application by October 3rd for the board to receive and review with other applications that are currently coming in. Holmes shared where the application is on the HRCSD website under the Business Services Department and the FAC.

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 first chart representing all funds within the budget. Revenue YTD is \$11.3 million compared to prior year's \$8.5 million. Revenue is overstated and will be discussed in the special funds discussion. Expenditures are \$4.6 million compared to prior year \$4.9 million. The overall Budget for this year is \$96.7 million. He shared as he went through the following pages they would get into more detail.

He shared the second chart representing the General Fund. Revenue YTD is \$8.8 million compared to prior year \$8.4 million. Local Sources, which include taxes, Intermediate Sources, which includes CGESD, and also State Sources (SSF) are higher than the previous year. Expenditures are \$3.3 million compared to prior year \$2.7 million. Some areas of expenditure contributing to the increase over the prior year are salaries, associated payroll costs, and other objects with the main being insurances. The board target is 8% for the General Fund, Board Policy is 5% ending fund balance (EFB) along with .5% for contingency. The EFB projection of \$3.55 million will be clearer after December month end and the fiscal audit is finalized. He shared at this moment they are making their best estimate, until the audit is complete they won't have the exact number. The committee asked for clarification about capital outlay and what falls within that line item. Holmes shared the capital outlay could be depreciable equipment, or CTE equipment as examples.

He shared that the third chart represents all the special funds which include items such as Food Services, Bus replacement, Biennial reserve, ESSERIII, Student Investment Account, Measure 98 / High School Success, other Grants and Donations. He shared the revenue YTD is \$2.5 million compared to prior year \$55 thousand. He reminded them again about the reporting error of revenue being overstated currently for the year and the annual forecast projection, this will be corrected this month.

He shared the fourth chart representing our Debt Service fund. Revenue YTD is zero compared to prior year \$6 thousand. These revenues come from local taxes to cover our general obligation bonds. Expenditures are zero compared to prior year zero. The debt service payments are normally made in the months of December and June covering amounts due for principal and interest. Our first payment was taken out of our bank at the end of November for Interest that was due in December, our second payment for June was made in May. Payments must be received prior to the due dates. The committee asked for clarification on the forecast in regards to resources. Holmes shared he collects a lot of information that is shared with the town, but is currently a projected estimate.

He shared that the fifth chart represents all of what the district considers Capital Funds which include Capital Projects, Construction Excise Tax, Energy Projects, and the Property fund. Revenue YTD is \$12.5 thousand compared to prior year's \$7.0 thousand. The beginning fund balance is \$3.85 million based on a transfer at the end of last fiscal year from the general fund. Expenditures are \$7.0 thousand compared to \$210.1 thousand prior year. That included lots of the Hood River Middle School project expenses. Primary expenses this year are related to the HRVHS Roof replacement project which remains on track and within budget. The district expects the final billing for the HRVHS project to be in December, 2023.

He shared the following four charts representing comparisons of year over year detail and summarizing 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. He also shared 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 variance report analysis gives explanations of Revenue and Expenditures within the General Fund, which when reviewing Revenue and Expenditures has a combined \$153 thousand unfavorable deficit for the current year period. An item contributing to this on the revenue side is the SSF being under plan. He shared on the expenditure side items contributing to this is a change of reflecting salaries for admin as the district changed their payroll schedule to 12 months versus 11, purchased services, primarily contracted repairs and insurances.

Holmes shared the last few charts representing 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.

The committee asked about the variance in the changes in transportation fees in tuition/fees. Holmes explained that the forecasting tool looks at historical data and it's showing a historical decrease in transportation fees. He shared one of the pieces when talking about revenue would be the source and in this case he would need to look it up and get back to the committee.

The committee asked which is the most unfavorable variance currently in the budget. Holmes shared in the general fund it's currently \$150k. Holmes shared this varies frequently in regards to when monies are received and spent. He reminded the committee that when they look at this information it will ebb and flow. He shared the district is not allowed to spend more than the approved budget without board approval. Holmes shared there is nothing major to note in the variances and monitor the district is not exceeding the approved budget.

Newton thanked the committee again for participating in the meeting. He shared how important this is to check how the district is spending its funds.

4. Adjourn – 4:46 P.M.

BN:mw