



PARKROSE SCHOOL DISTRICT NO. 3
10636 N.E. Prescott Street
Portland OR 97220-2699

Budget Committee Meeting
District No. 3, Multnomah County, Oregon
Wednesday, April 20, 2016

M I N U T E S

The District Budget Committee of School District No. 3, Multnomah County, Oregon, convened at the Parkrose School District, Administration Office in the said District, County, and State at the hour of 6:30 p.m. on the date hereinabove shown.

1. Call to Order – Budget Committee Meeting – 6:30 p.m.

School Board member Ed Grassel called the Budget Committee Meeting to order at 6:30 p.m. and welcomed everyone in attendance.

Members present: MaryLu Baetkey, Ed Grassel, Dave Carter, Sara Kirby, Mary McArthur, Ashley Parks, Chris Ebert, and Linda Cadzow.

Member absent: Erick Flores, and Michael Langley.

Others in attendance: Superintendent Dr. Karen Fischer Gray, Director of Business Services & Operations Sharie Lewis, District Administrators, District Accountant Jeanne Morgan.

2. Welcome and Introductions – Dr. Karen Fischer Gray

Superintendent Gray welcomed everyone. Self-introductions were made.

3. Election of Budget Committee Officers

A. Elect Chair

School Board member Ed Grassel called for nominations for the position of Chair of the Budget Committee for 2016-2017.

Mary Lu Baetkey nominated Chris Ebert to Chair the Budget Committee, Ed Grassel seconded the motion. There were no other nominations. By a unanimous vote, Chris Ebert was elected to Chair the 2016-2017 Budget Committee in accordance with ORS 294.423.

B. Elect Vice Chair

Budget Committee Chair Chris Ebert called for nominations for the position of Vice Chair of the Budget Committee for 2016-2017.

Mary Lu Baetkey nominated Linda Cadzow for Vice Chair of the Budget Committee, Ed Grassel seconded the motion. There were no other nominations. By a unanimous vote, Linda Cadzow was elected Vice Chair of the 2016-17 Budget Committee in accordance with ORS 294.423.

C. Elect Budget Officer

Budget Committee Chair Chris Ebert called for nominations for the position of Budget Officer of the Budget Committee for 2016-17.

Ed Grassel nominated Sharie Lewis for Budget Officer of the Budget Committee, Mary Lu Baetkey seconded the motion. There were no other nominations. By a unanimous vote, Sharie Lewis was elected Budget Officer of the 2016-17 Budget Committee.

D. Appoint Secretary

The committee unanimously recognized the appointment of Jeanne Morgan as Secretary of the Budget Committee.

Chair Ebert turned the meeting over to Superintendent, Dr. Karen Fischer Gray.

4. Budget Message – Superintendent, Dr. Karen Fischer Gray

In accordance with ORS 294.403, Superintendent Gray presented the 2016-2017 Budget Message. Below is a summary:

- Parkrose Vision Statement – “All students read and think critically, graduating college and career ready”.
- State School Funding
- Expected Revenues 2016-17
- Expected Expenditures 2016-17
- Conclusion: Superintendent Gray highlighted the cornerstones of supporting successful educational practices in our district for our kids including, a full school year, Focus Schools, AVID K-12, equity and access for all students, and graduation rates and access to college for all.

In her concluding remarks Superintendent Gray extended a special thanks to the Parkrose Community members who have volunteered to serve on the Budget Committee. She stated that the proposed 2016-17 budget presented is balanced and reflects the educational goals and objectives of the school district in hopes of increasing educational opportunity and access for all kids.

The complete budget message can be found on the website at: www.parkrose.k12.or.us

5. Parkrose School District Information – Sharie Lewis, CPA

Director of Business Services & Operations, Sharie Lewis began her presentation with a focus on the General Fund. She presented detailed budget information regarding the following:

- Revenues
Ms. Lewis explained that the available revenue for the budget is largely from property taxes and State School Fund, comprised of roughly 93% of the total revenues. The remaining 7% of the revenue is from miscellaneous sources, and beginning fund balance. Sharie stated that the 2016-17 proposed budget is realistic reflecting anticipated revenues.

- Expenditures
Ms. Lewis showed various charts regarding district expenditures, emphasizing that the vast majority goes to salaries and benefits. She stated that schools are people providing services to kids.

Ms. Lewis presented expenditure charts by school stating that all available dollars go to the buildings. A major change in the school budgets for 2016-17 is the removal of SPED, ESL, and custodial staff, along with technology from the school budgets, moving these to the District wide budget. The average percent of school budgets for supplies and other objects is about 2% per school.

- Unappropriated Ending Fund Balance
Ms. Lewis presented an overview of the history of the districts unappropriated ending fund balance from 2001-02 to present. She explained that when the district receives unexpected tax revenue it is offset by state school support. She pointed out the significant depletion of ending fund balances over the last few years, and the goal of reaching a \$1,000,000 ending fund balance. Superintendent Gray, and Board member Grassel explained the reason for the depletion of the ending fund balance over time was a conscious decision by the board and staff to keep from cutting school days and staff.

- Contingency
A chart was shown reflecting budgeted versus expended amounts of contingency by year. Ms. Lewis stated that the use of contingency in most years was used to maintain staff usually due to revenue fluctuations.

- Transfer Schedule
There will not be any transfers from other funds to the General Fund this year. The transfer from Thompson Fund to Community Center will no longer be necessary. We will be closing the Community Center Fund, and merging it with the Thompson Fund, because they are both the same type of Fund. The General Fund will be transferring \$140,000 to a new PERS Stabilization Fund to protect the District from future personnel cuts due to increases in PERS costs, and lower earnings on investments than planned. Other transfers from the General Fund include a \$89,143 transfer to the Retirement Fund, a \$144,812 transfer to the Textbook Fund, and a \$142,857 transfer to the Debt Fund to pay for our obligated payments on the 2009 QZAB (Qualified Zone Academy Bonds).

- Accounting Functional Changes
 - A. Added Fund 215- Federal and State Grants. We will consolidate all of the current Federal and State Grant Funds into this new Fund. This will allow us better transparency, and less chance of Budget violations due to unexpected changes in Grant Funding. To address the transparency, we will use the last three digits of the current account string, commonly known as the subarea, to insert the grant number. A current grant number crosswalk, to the new account string is provided in the budget document.
 - B. Added Fund 298-PERS Stabilization Fund to buffer future losses that are expected to hit in Fiscal Years 2017-19. A \$140,000 transfer from the General Fund to Fund 298 will begin the funding for this new Fund.
 - C. Added Fund 299-Student Body Fund. This will ensure that we have the legal authority required. These are currently treated as Agency Funds when they are in fact Governmental Funds. This change will make us compliant with the State Chart of Accounts, and Governmental Accounting Standards Board (GASB).
 - D. Staffing for SPED, ESL, and Custodial were shifted from the School Budgets to the District office.
 - E. Merged Fund 283 Community Center Fund into Fund 205 Thompson Fund. This will better track the same type of function and eliminate the need for a Fund transfer.
 - F. Technology budgets were moved out of the school budgets to bring all purchases for technology services under the direction of the IT Director.
 - G. Consolidated all Private Grants to Fund 280. This will allow us better transparency and less chance of Budget violations due to unexpected changes in Grant Funding. To address the transparency, we will use the last three digits of the current account string, commonly known as the subarea, to insert the Grant number. A current Grant number, to the new account string crosswalk is supplied.

6. Next Steps

Mary Lu summarized the choices we have in regards to the Proposed Budget. We can either pass a Board Resolution to accept the proposed budget as is, or we can postpone that decision until a later meeting after the committee has time to review the budget. Ed Grassel made a motion to postpone the decision to at least May 4th, the next scheduled meeting of the Budget Committee, and Mary Lu seconded the motion. By unanimous vote, the motion passed. The committee will review the budget and email all questions to Karen and Sharie by next Wednesday, April 27, 2016.

Chair Ebert thanked Ms. Lewis for her presentation.

7. Budget Committee Discussion – Chris Ebert, Budget Committee Chair

Committee members asked to get copies of the presentation.

Presentation materials can be found on the website at: www.parkrose.k12.or.us

Mary Lu Baetkey gave a brief explanation of the balance between the State School Fund and property taxes.

Ed Grassel asked if Intermediate Revenues affected the State School Fund Revenue, and Sharie answered no, only Local Revenue from property taxes affect this.

Dave Carter clarified that the reduction of \$25,000 in the Arts Tax Revenue is due to the low collections rate of the Arts Tax.

8. Oregon School Employees Association Comments

Postponed until next meeting.

9. Parkrose Faculty Association Comments

Postponed until next meeting.

10. Audience Time/Citizen Comments

No citizen comments this evening.

11. Summary of Meeting – Chris Ebert, Budget Committee Chair

Budget Chair Ebert briefly reviewed this evening's presentation and thanked the administration and committee for their time.

Questions from the committee should be e-mailed to Superintendent Gray and Sharie Lewis no later than Wednesday April 27, 2016 in order for responses to be prepared for the next meeting.

12. Resolution to Approve 2015-16 All Funds

This agenda item was postponed to the next meeting.

13. Correspondence/Announcements/Requests

a. Upcoming Budget Committee Meetings

- i. Budget Committee Meeting, Wednesday, May 4, 2016 District Office Boardroom, 6:30 p.m.
- ii. (if needed) Budget Committee Meeting, Wednesday, May 18, 2016 District Office Boardroom, 6:30 p.m.

14. Adjournment

Chair Ebert adjourned the meeting at 8:00 p.m.