



**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 29, 2015

**M I N U T E S**

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

Members present: MaryLu Baetkey, James Trujillo, Ed Grassel, Erick Flores, Ashley Parks, Mary McArthur, Michael Langley, and John DiPasquale.

Member absent: Thuy Tran, Chris Ebert

Others in attendance: Superintendent Dr. Karen Fischer Gray, Executive Director of Business Services & Operations Mary Larson, District Administrators, District Accountant Scotti Erickson and Budget Committee Secretary Becky Nino.

**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 Chair Ed Grassel called for nominations for the position of Chair of the Budget Committee for 2014-2015.

Baetkey/Flores nominated Ashley Parks and Grassel/Trujillo nominated MaryLu Baetkey to Chair the Budget Committee. A vote was held. Ashley Parks was elected to Chair the 2014-2015 Budget Committee in accordance with ORS 294.423. The vote was 5-3 in favor of Ashley Parks.

**B. Elect Vice Chair**

Budget Committee Chair Ashley Parks called for nominations for the position of Vice Chair of the Budget Committee for 2014-2015.

Flores/Trujillo nominated MaryLu Baetkey for Vice Chair of the Budget Committee for 2014-2015 in accordance with ORS 294.423. There were no other nominations. By a unanimous vote, MaryLu Baetkey was elected Vice Chair of the Budget Committee.

**C. Appoint Secretary**

The committee unanimously recognized the appointment of Becky Nino as Secretary of the Budget Committee.

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

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

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In accordance with ORS 294.403, Superintendent Gray presented the 2015-2016 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 2015-16
- Expected Expenditures 2015-16
- Conclusion: Supporting successful educational practices in our district for our kids

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 2015-16 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](http://www.parkrose.k12.or.us)

### 5. **Parkrose School District Information – Mary Larson**

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

- Revenues

Ms. Larson explained that the budget is largely staff, so when reducing for lack of revenue, its jobs and programs that are cut. She stated that the 2015-16 proposed budget is realistic reflecting anticipated revenues. She pointed out the significant depletion of beginning fund balances.

There are approximately 28,000 additional students added to the state school fund formula because of the implementation of all-day kindergarten state wide. This impacts districts though out the state because there is the same amount of money distributed to more students.

- Expenditures

Ms. Larson 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.

James Trijillo asked about where in the budget are the equity strategy support and music program expenditures. Ms. Larson stated that those types of expenditures are reflected in the Curriculum Director budget.

MaryLu Baetkey asked if extra duty salaries are reflected in the salaries category. Ms. Larson confirmed they are included.

Ms. Larson presented expenditure charts by school stating that all available dollars go to the buildings. She added that it has been a struggle for principals to work within the allotted budgets for supplies to operate their buildings. There has not been an increase to discretionary budgets in many years.

Ms. Larson added that \$7.87 billion for the biennium is what Parkrose School District needs to maintain programs and add teachers.

- Unappropriated Ending Fund Balance

Ms. Larson presented an overview of the history of the districts unappropriated ending fund balance from 2002-03 to present. She explained that when the district receives unexpected tax revenue it is offset by state school support. She spoke about building sustainable budgets and that Parkrose has consciously made decisions to build sustainable programs.

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- Contingency  
A chart was shown reflecting budgeted versus expended amounts of contingency by year. Ms. Larson stated that the use of contingency in most years was to increase staff usually due to enrollment fluctuations.
- Transfer Schedule  
The transfer of funds from Thompson Fund to General Fund was discussed. Ms. Larson stated that \$800,000 transfer was used to balance the general fund. A \$40,000 transfer from Thompson Fund to Community Center is also budgeted as it has been for the past several years because the Community Center Fund is not self-supporting.
- Thompson Fund  
Revenue in the Thompson Fund is generated from long term lease agreements for Sumner, Thompson and Knott buildings. These funds are strategically used to pay for building improvements and maintenance cycle projects such as painting, roofs and paving.

Erick Flores wanted to know the total amount of Thompson Fund. Ms. Larson stated that it's approximately \$3.5 million because the district applied for and received a one-time facility grant of \$3.2 million. These funds cannot be used for capital construction but can be used to balance the General Fund.

- Budget Additions  
Ms. Larson shared a chart showing additions to the proposed budget along with items that have not been funded. Items were vetted based on strategic goals. There was discussion regarding the items not funded in the budget.

James Trijillo asked how much of the unfunded items would be added if additional revenue was received. Ms. Larson said it is not known.

She added that for every \$100,000,000 funded by the state, it results in approximately \$300,000 to the district.

John DiPasquale commented that it would be ideal if funding increased an additional \$916,000 to fund all the items listed.

Superintendent Gray said that it would be up for discussion what, if any, of these items would be added to the budget. Additional revenue could result in not transferring money from Thompson fund as is the plan at this point.

Ms. Larson added that other priorities also include SUN Schools in all buildings, additional teachers and increasing cash reserves because as it stands now there is absolutely no room for any sort of adjustment to the budget.

Presentation materials can be found on the website at: [www.parkrose.k12.or.us](http://www.parkrose.k12.or.us)

Chair Parks thanked Ms. Larson for her presentation.

**6. Budget Committee Discussion – Ashley Parks, Budget Committee Chair**

Erick Flores requested a copy of last year's budget committee questions to use as a reference. Ms. Larson said they would be distributed to the committee.

Ed Grassel asked for clarification of the unfunded 1.0 FTE behavior specialist position. Director of Student Services, Kathy Keim-Robinson explained the need for the position. The position would focus on elementary schools largely to prevent sending additional students to programs outside the district. There was detailed discussion regarding return on investment by adding the position.

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Laura Goodman, Shaver Principal, addressed the committee regarding the behavior specialist position and the impact it would have on students and staff at the elementary schools.

Ed Grassel made a motion to transfer an additional \$100,000 from the Thompson Fund to the General Fund to add 1.0 FTE Behavior Specialist position to the 2015-16 Budget, provided that the district did not receive additional revenue from the State. The motion was seconded by MaryLu Baetkey.

Hearing no further discussion, the vote was unanimous to approve an additional \$100,000 transfer from Thompson Fund to General Fund.

**7. Oregon School Employees Association Comments**

There were no comments.

**8. Parkrose Faculty Association Comments**

There were no comments.

**9. Audience Time/Citizen Comments – Ashley Parks, Budget Committee Chair**

No citizen comments this evening.

**10. Summary of Meeting – Ashley Parks, Budget Committee Chair**

Vice Chair Baetkey 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 Mary Larson no later than Monday, at noon in order for responses to be prepared for the next meeting.

Ms. Baetkey encouraged everyone to contact legislators regarding school funding.

James Trijillo requested information regarding fringe benefit costs.

Michael Langley requested information regarding PERS rates and insurance benefits.

Mary McArthur asked where the 1.5 FTE additions were placed in the proposed budget. Mary Larson replied .5 FTE in special education at Sacramento and 1.0 FTE in general elementary to lower class sizes.

**11. Resolution to Approve 2015-16 All Funds**

This agenda item was postponed to the next meeting.

**12. Correspondence/Announcements/Requests**

- a. Upcoming Board Meetings
  - i. Board Work Session, Monday, May 11, 2015 District Office Boardroom, 6:30 p.m.
  - ii. Retiree Recognition & Board Business Meeting, Tuesday, May 26, 2015 District Office Boardroom, 5:30 p.m.
  - iii. Board Work Session, Monday, June 8, 2015 District Office Boardroom, 6:30 p.m.
  - iv. Board Business Meeting & Budget Hearing, Monday, June 22, 2015 District Office Boardroom, 6:30 p.m.
- b. Upcoming Budget Committee Meetings
  - i. Budget Committee Meeting, Wednesday, May 6, 2015 District Office Boardroom, 6:30 p.m.
  - ii. (if needed ) Budget Committee Meeting, Wednesday, May 13, 2015 District Office Boardroom, 6:30 p.m.
- c. Upcoming Bond Meetings
  - i. Bond Executive Team meets monthly

**13. Adjournment**

Chair Parks adjourned the meeting at 8:26 p.m.