

**Multnomah ESD Board of Directors'
Budget Committee Meeting
Friday, April 2, 2010**

2009-2011

Agency Goals

- #1 – Reconnecting Youth**
- #2 – Districts Service Plans**
- #3 – Professional Development**
- #4 – Facilities**
- #5 – Fiscal Stability**
- #6 – Board Policy**
- #7 – Legislative Advocacy**

1. Call to Order and Roll Call

Chair Kevin Spellman called the meeting to order at 5:34 p.m. on Friday, April 2, 2010 in accordance with the agenda and public notice of the meeting.

A. Board Members Present: Harry Ainsworth
Mike Delman
Bernie Giusto
Jean Haliski
Sean Schafer
Kevin Spellman, Chair
Geri Washington, Vice Chair

Board Members Absent: None

Administrative Staff Present: Ron Hitchcock, Superintendent
Barbara Jorgensen, Chief Program Officer
Leslie D. Nelson, Board Secretary

Cabinet Present: Nancy Anderson, Dir. Special Education Services
Jim Rose, Dir. Technology Services
Bob Sesnon, Dir. Business Services
Kelly Schwartz, Dir. Human Resource Services
Mark Skolnick, Dir. Communication Services
David Turner, General Counsel
Kelvin Webster, Dir. Instructional Services

2. Resolution 10-12 - Approve Receipt and Approval of the Proposed 2010-2011 Budget Document (Goal #2)

**RESOLUTION 10-12 Approve Receipt and Approval of the
 Proposed 2010-2011 Budget Document**

This resolution requests the Board Budget Committee’s acknowledgement of receipt and approval of the 2010-2011 Proposed Budget Document.

Background: The Budget Officer is required by law to prepare a budget to submit to the Board Budget Committee. The Board Budget Committee should acknowledge receipt of that Proposed Budget and then is faced with two choices. The Board Budget Committee can either approve the budget as submitted by the Budget Officer or approve a budget as modified by the Board Budget Committee

The Superintendent recommends adoption of the following resolution:

WHEREAS, the Budget Officer is required to prepare a Proposed Budget and present it to the Board Budget Committee; and

WHEREAS, the Board Budget Committee has received and reviewed the 2010-2011 Proposed Budget Document.

NOW THEREFORE BE IT RESOLVED, that the Board Budget Committee approves the 2010-2011 Proposed Budget in the following amounts:

FUND	AMOUNT
Fund 1 - Resolution Services	\$ 34,233,120
Fund 2 - Contracted Services	\$ 37,908,468
Fund 3 - Debt Services	\$ 547,830
Fund 4 - Facilities Acquisition & Improvements	\$ 1,441,647
Fund 5 – Agency Pass-Through	\$ 18,000
Fund 6 – Operating	\$ 16,642,565
Fund 7 – Risk Management	\$ 855,494
TOTAL	\$91,647,124

Motion: **Director Ainsworth moved that Resolution 10-12 be approved. Director Washington seconded the motion.**

Discussion:

Director Ainsworth asked for clarification that if the budget as proposed is approved so that the budget process can move forward, that the Board would have the ability to scheduled a series of workshops to hold tight, cohesive discussions on issues that have not been addressed: Legal

Services, Communication Services, and whether the end fund balance should be moved to capital improvements instead of to departments that will shortly not be funded, with an idea that some of the capital improvements would aid efficiency in the agency. He affirmed that the Board's position and the agency's position are not that far off on the Board's authority and the Superintendent's authority, but would like to discuss the roles in the agency, Board structure, organization charts, and more budget prep time.

Question: What is the ending fund balance for 10-11?

Answer: The unencumbered ending fund balance is in Fund 6 – Operations, which is our general fund and is projected to be \$6.3m. All other funds are restricted funds.

Question: What is the lowest amount that our fund balance has been over the past years?

Answer: This is the lowest it has been in the past six biennium.

Question: Is there a recommended minimum in terms of TSCC or an outside auditor might recommend that it not get below?

Answer: It is based on the size of an organization and ranges between 5% and 15% with the larger the organization going to the lower percentage and the small organization to the higher percentage. As a percentage of expenditures (\$66.7m) our ending fund balance of \$6.3m would be just under 10%.

However, our discussions regarding the ending fund balance were not necessarily to target a percentage, but the targeted fund balance is to preserve at least two months of payroll so that if the worst case happened we would have funds to pay staff; that number for us would be in the \$3.98 - \$4m dollar range.

Director Schafer expressed his agreement with Director Ainsworth's suggestion to approve the proposed budget but to have further discussions.

Director Giusto shared that the budget process is a never ending process and that acceptance of the proposed budget allows the process to move forward, to have further discussion, and if necessary to make modification to the budget.

Action: The motion carried with Directors Ainsworth, Delman, Giusto, Haliski, Schafer, Spellman and Washington voting aye. Motion passed 7-0.

3. Adjournment

There being no further business the meeting was adjourned at 5:45 p.m.