

Board Finance Committee

Monday, February 2, 2015



2013-2015

Performance Areas/Agency Goals

#1 – Financial Performance

#2 – Customer & Market Performance

#3 – Internal Efficiency and Effectiveness

#4 – Long Term Development & Innovation

The meeting was called to order at 3:00 p.m. on Monday, February 2, 2015, by Committee Chair Spellman.

1. CALL TO ORDER

Present: Doug Montgomery

Absent: Kevin Spellman, Chair

Others in Attendance: Lynelle Hatton – Budget & Management Analyst

Administration: Doana Anderson, Business Services Director
Heather Severns, Board Secretary

2. REVIEW DECEMBER 2014 FISCAL REPORT

December Financials

Board Member Montgomery asked about late state payments. Director Anderson stated that Business Services is reviewing that and has discovered that there has been some miscommunication among our team. Ruth Welch has been working on reconciling outstanding balances, and it appears we have not billed as much as we thought. There have also been delays in submitting new invoices. Ruth is now leaving, so Joanne Ossana will take over the reconciliation and Maureen Phelps will work with OR-Case staff to get the invoices caught up. As of today we have billed for services through August 31st, 2014, so services from September through January still need to be invoiced.

At the OSBA monthly meeting Board Member Montgomery spoke with Roy Rogers about a prompt payment act for late payments from state agencies. Director Anderson stated that we are getting ready to renegotiate our contract with DHS. One of the things we are trying to put in the contract is an option to charge interest if we are not paid within a certain amount of time. DHS prepays our grants and charges us interest, so it follows we should be able to do the same. Board Member Montgomery suggested that we use the same language they use to show comparability. The original contract was for ISRS billing services. We are doing more than that, and OR-Case staff have had to create a billing system that gives DHS more information than was anticipated in the original scope, such as referrals and RFPs. The new

contract will reflect the additional services, including time spent on ORCase by administrative staff.

Board Member Montgomery asked if we have been sharing any of the information on slow payments with our state representatives.

Action: Heather will add the question, “What are we telling our legislators about the slow payments?”

Our biggest savings right now are in Facilities Services because we are no longer paying the lease for the Thompson building. The cost we paid for facility work at Wheatley is in Capital Outlay. We should be about done with the Wheatley project, so we will be moving funds from Fund 2 to Fund 4.

Board Member Montgomery asked if there were any complaints or concerns from our customers. Director Anderson has not heard anything from the district Business Managers.

He also stated Portland Public Schools is very complimentary of Director Anderson and are happy we have brought Joanne on board to help with projects. Joanne’s next projects will be ORCASE and then MAC and Medicaid.

Director Anderson inquired about whether the Board passed a resolution for budgeting parameters which tells the Board what our assumptions are for budgeting for next year.

Action: Heather will go back a year or two and look for resolutions for budgeting parameters.

Director Anderson spoke with TSCC on Board Member Montgomery’s request to do short Budget 101 presentations at Board meetings throughout the year. TSCC has offered to come in during our meetings and do some short presentations. They also have some nice guide books we can use as reference. Director Montgomery stated he would like to see the presentations include topics that are specific to MESD.

Revenues:

Our revenues are higher than this time last year. We are up 9.8% over last year due to property taxes. We received about \$1.3 million more than we did last year. State sources can be attributed to catch-up payments from DHS. This is also the year that we get 51% instead of 49% from the State School Fund.

Expenditures/Transit Payments:

In total expenditures and transits, we are exactly where we were last year within \$6,000.

Fund 6 Operating:

Departments are updating their budgets and some adjustments have been done. These will be completed by February 4th and are a starting point for next year’s budget discussions. Board Member Montgomery asked when employees are expected to announce retirement and requested to factor that in. Director Anderson replied that is a question for HR, but she would look into it.

Action: Director Anderson will speak with HR regarding what date employees announce retirement for the end of this school year.

3. REVIEW BOARD/SUPERINTENDENT EXPENSE REPORTS

Board Member Montgomery signed off on Superintendent Expenses.

4. NEXT MEETING/COMMITTEE AGENDA PRIORITIES

The next meeting of the committee is scheduled for March 2, 2015.

5. OTHER

Multnomah Children's Foundation:

Marsha and Al need to go to the bank to transfer the money. Director Anderson has written the resolution and Joanne Ossana is ready to give the Foundation Board a presentation.

Action: Board Member Montgomery requested to add an item to the agenda for Saturdays Semi-Annual Board Planning Session. "How is the MESD approaching the complex relationship with receiving revenues from the state?"

6. ADJOURN

There being no further discussion, the meeting was adjourned at 3:24 p.m.

Respectfully submitted,

Heather Severns

Executive Assistant/Board Secretary