

**Portland Public School District 1J, Multnomah County, Oregon
Board of Education's
Finance, Audit and Operations Committee Meeting**

**December 12, 2017
Informal Minutes**

The meeting of the Board's Finance, Audit and Operations Committee convened on the above date at 3:05pm at the call of Chair Rita Moore, in the Board Auditorium at the Blanchard Education Service Center, 501 N. Dixon St., Portland, Oregon, 97227.

There were present:

Board Committee Members

Rita Moore, Chair
Amy Kohnstamm
Mike Rosen
Paul Anthony

Staff

Mei Lee, Chief Financial Officer
Joe Crelier, Risk Management Director
Dr. John Burnham, Senior Director of Health and Safety
Kehaulani Haupu, Senior Director of Teaching and Learning
Jeanne Yerkovich, Director of College and Career Readiness
Jerry Vincent, Chief Operating Officer

Public Comment

None.

External Auditor Annual Financial Statement Audit Report and Management Response

Tim Gillette of TKW, outside auditors, provided the report, stating that in their opinion, the financial statements were presented fairly, in all materials respects, the respective financial position of PPS activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017. Mr. Gillette also referred to the Report on Requirements for Federal Awards (Uniform Guidance). Mei Lee, Chief Financial Officer, commented that staff will be looking at additional levels of review and on-going training.

Chair Moore asked how big a contributing factor was the lack of a budget software to the errors. Ms. Lee responded that the information comes from PeopleSoft and accounting goes into an Excel spreadsheet at this time, but we do need to step up in hiring the right people to do the job. Chair Moore questioned if the District needed to invest in software at some point. Ms. Lee responded that having a good software would allow more time to review staff work.

Chair Moore referred to the Statement of Net Position, stating that it appears the District is in the red. Mr. Gillette responded yes, but many Districts were.

The Committee unanimously supported the draft findings and asked that they move forward to entire Board.

Director Anthony asked if Mr. Gillette had any idea what the increase in PERS rates is liable to run the District in the coming year. Mr. Gillette responded that the District has a side account with PERS which will offset what is coming down the road. Director Anthony questioned the potential cost of budget software. Ms. Lee responded that she would need to look at the project and available options.

Ms. Lee provided a report on upcoming audits, commenting that the State audit would begin on December 18th. The state has requested a long list of items from the District and she would be the point person for managing that audit. She did not know what year(s) they will focus on. The scope will look at how we spend money and did we meet the objectives, and what the performance metrics were at that time to track the spending. They are looking for a District strategic plan and staff will provide any information they have. The District will also have an ODE audit on Title 1, 2, and 10 funds for the 2017/18 school year.

Kellogg Master Plan

Oh Architects and Dan Jung, Senior Director of School Modernization, provided a PowerPoint presentation. Director Rosen stated his concern that Kellogg would not have a computer lab. Oh Architects responded that they have a STEAM classroom and media center, and that every classroom will have electronic devices. It will not limit the programming of the building. The Committee unanimously recommended adoption of the Kellogg Master Plan by the full Board.

Tubman Environmental Update

Dr. John Burnham presented the Air Quality Action Plan for Harriet Tubman Middle School, which was a draft proposal from Sonoma Technology Inc. EPA is embedded in the proposed Action Plan and DEQ indicated that they would come before the Board. Staff was performing ambient outdoor air monitoring, which is purview of DEQ/EPA. Dr. Burnham recommended that the District engage with DEQ and the EPA to be clear about our plans and to obtain their advice on the best way to do our plans. However, the EPA and DEQ were not comfortable in doing our work for us. Staff will use the EPA Study from 2009 and expand from there, and DEQ was comfortable with that. We will use DEQ screening levels and compare our data with their data which is a benefit to everyone. Jerry Vincent, Chief Operating Officer, stated that he would have DEQ put their position in writing and attend a Board meeting to acknowledge that they are a partner with us. Mr. Vincent reiterated that right now Sonoma Technology Inc. had provided the proposal just to inform us of what they could do for us. Staff is trying to hone in on the scope of services and will seek input from stakeholders and advisory groups. Mr. Vincent added that the Board would see testing results come to them in phases. Indoor and outdoor air quality will be measured.

Inclement Weather Update

Jerry introduced Jon Coney and Teri Brady of Transportation. Ms. Brady walked the Committee through a PowerPoint presentation on Inclement Weather preparation.

Adjourn

Chair Moore adjourned the meeting at 5:42pm.

Submitted by:

Caren Huson-Quiniones, Board Clerk
PPS Board of Education