

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

**October 24, 2017  
Informal Minutes**

The meeting of the Board's Finance, Audit and Operations Committee convened on the above date at 3:00 pm at the call of Chair Rita Moore in the Mazama Conference Room at the Blanchard Educational Service District, 501 N. Dixon Street, Portland, OR 97227

There were present:

Board

Rita Moore-Chair  
Amy Kohnstamm  
Mike Rosen

Staff

Megan Salvador-Confidential Executive Assistant to the Chief Financial Officer  
Rudy Rudolph-Special Projects  
Lindsay Trapp-Executive Assistant, Community Involvement and Public Affairs  
Pradeep Raja- Principal Business and Finance Ops Analyst  
Emily Courtage-Director, Purchasing and Contracting  
Mei Lee-Chief Financial Officer  
Jim Harris-General Counsel  
Stephane Harper- Senior Legal Counsel, Labor and Employment  
Mary Kane- Senior Legal Counsel, Labor and Employment  
Rosanne Powell-Senior Board Manager  
Rosie Fiallo- Communications and Outreach Manager  
Harry Esteve-Director, Strategic Communications & Outreach  
Anna Richter Taylor-Interim, Chief Information Officer  
Yousef Awwad-Deputy Chief Executive Officer

Community Budget Review Committee Members

Gabriele Mercedes Bolivar-Co Chair  
Roger Kirschner

OVERVIEW OF BUDGET TIMELINE

Mei Lee provided a draft of the budget timeline acknowledging it was aggressive with the goal to be able to hire teachers early, and it would be updated weekly and shared with the Superintendent and District Leadership. Director Kohnstamm asked if they are currently on track with the timelines and Mei Lee responded they were. Chair Moore asked when principals would know their school staffing allocations, and Mei Lee shared it would be in late November, but would be dependent on the overall strategies and vision for the District. Director Kohnstamm said it would be good to know what it would cost to support under-enrolled programs, otherwise how could they make decisions. Mei Lee said her department was working on that information. Chair Moore asked if it was possible to figure out the K-5 staffing in isolation. Pradeep Raju responded their department was drafting those costs and stated that most of the increase costs are associated with splitting blended grade levels. Chair Moore asked when they will see the funding proposal for the middle schools and he responded that it would take a few weeks. Chair Moore asked if the Oregon Tax "Kicker" would affect this year's budget and Mei Lee thought it would. Director Kohnstamm said she would like to see how the District is applying the Equity Formula now that the funds are tracked more closely. Community Budget Review Committee (CBRC) member, Gabriel Mercedes Bolivar, said that their committee will be looking at this too. She then read a statement, on behalf of the

CBRC, stating they do not support the proposed staffing model, believing it is incomplete and without knowing the full cost and are not in support of dipping into contingency funds. Chair Moore said she would like to see if some of the FTE allocated to the equity formula could be shifted to support the staffing model.

#### OUTSIDE LEGAL REPRESENTATION

Jim Harris provided an overview of pending litigation that requires assistance from outside legal counsel. Chair Moore asked why the need to increase outside counsel when there has been an increase in-house counsel over the past several years. Jim Harris responded there is an increase in claims and legal work related to the bond. Director Rosen asked if the need for outside counsel would decrease as the legal staff grew. Jim Harris said it was too early to tell, but legal billing seems to be decreasing. He is requesting the Board to approve a two year contract with Miller Nash for \$4 million in order to wrap up pending litigation. He shared that after November, his department would be down to three attorneys, all fairly new to the District. Director Moore stated she was not impressed with the counsel the District had received from Miller Nash and asked if it would make sense to find a new firm. He agreed it made sense to seek other options and he is looking to move some business to more mid-sized firms. Stephanie Harper provided information on how the budget for outside counsel was determined and also shared that staffing was adjusted to meet current needs and caseloads. Director Rosen stated he would also support moving away from Miller Nash. Stephanie Harper explained there are limitations to staff capacities and being a public entity brings risk. Chair Moore asked Jim Harris what would the consequence be to approve a lower amount for the Miller Nash contract extension. He responded that he thought they would be back sooner asking for another extension. The committee asked Jim Harris to bring a revised two year contract extension for Miller Nash for \$2 million. Director Rosen would like to review this quarterly. He would also like to understand how the vision and reorganization in Human Resources is tied to Risk Management.

#### PEACH JAR UPDATE

Harry Esteve provided a brief overview of CIPA's recommendation for the District to discontinue the practice of supporting flyer distribution to families for non PPS partners. Lindsay Trapp gave an overview of the PPS Flyer Distribution Process Review Committee meetings and outcomes. Director Kohnstamm asked if individual schools can still utilize their own list serves and Harry Esteve said yes as long as they follow the same policy.

Chair Moore adjourned the committee at 5:04 p.m.

Submitted by:

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Rosanne Powell, Board Manager