



HOOD RIVER COUNTY SCHOOL DISTRICT

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Finance Advisory and Capital Projects Oversight Committee Minutes

February 19, 2026 – 4:00 P.M.

Committee Members:

Present: Mark DeMoss, Rich Truax, Garrett Appland, Rolland Hayden, Chrissy Reitz, Brandi Sheppard, Michael McElwee, Ted Cramer-HREA Rep, Bill Newton

Absent: Nancy Rowley-OSEA Rep,

The following HRCSD staff/community members present:

Tod Hilstad, Meghan West

1. Welcome & Call to Order – 4:03 P.M.

CFO Mark DeMoss called the meeting to order at 4:03 pm on February 19, 2026 in a virtual google meet.

2. Public Comment

CFO Mark DeMoss shared no one had signed up for public comment.

3. Reports & Discussions

A. HRCSD & Capital Projects Update

CFO Mark DeMoss provided an update from the Long-Range Facilities Planning (LRFP) Committee regarding the district's aging infrastructure. Recent Oregon Department of Education (ODE) assessments identified \$26 million in immediate maintenance needs and \$67 million in projected costs over the next decade. These figures highlight a critical gap in funding, as the State School Fund provides minimal support for such expenses. Additionally, the district faces a projected 17% decline in enrollment over the next 15 years, leaving several buildings significantly under-utilized. To address these challenges, the committee discussed the pros and cons of three financial paths: maintaining the status quo, pursuing a small bond coupled with school consolidations, or seeking a major bond of approximately \$100 million for new facilities. A formal recommendation is expected by June.

Bill Newton reported on several recent facility emergencies that underscore the district's aging infrastructure. Over winter break, flooding at Pine Grove caused tens of thousands of dollars in damage and forced a preschool to relocate to the basement. At Mid Valley, an obsolete fire panel required 24-hour manual staffing for over a month until parts could be sourced. Additionally, broken pressure regulators at Wy'east caused morning flooding and a water shut-off. DeMoss noted that the district lacks dedicated reserves for deferred maintenance, often relying on bond funds for the have-to repairs. Moving forward, the district is looking at ways to more proactively respond by establishing a general fund line item of \$500,000 to \$1 million specifically for facility maintenance.

B. Financial Report

Overview and Budget Context

Chief Financial Officer Mark DeMoss reported that the FY25-26 current year results are largely on track with the budget. While revenue from the State School Fund (SSF) and property taxes currently appears higher than projected, these figures are expected

to normalize by year-end following a prior-year adjustment scheduled for May. Payroll expenditures are currently slightly over the Forecast 5 projection, but total encumbered payroll remains on budget. Additionally, while software implementation costs have driven supply projections higher, year-to-date spending in this category remains lower than the previous year. The district anticipates maintaining a 5% ending fund balance in alignment with the current supplemental budget.

Budgeting Strategy for Long-Term Sustainability

The district's long-term strategy focuses on closing the gap between revenues and expenditures, a goal largely achieved in the current budget cycle despite trailing PERS liabilities and wage increases. A primary focus is right-sizing the district footprint to match a projected 17% decline in enrollment over the next 10-15 years. This includes managing rising costs in Special Education (SPED), transportation, and facilities maintenance. To maintain stability, the district is informally utilizing an unofficial two-year budgeting lens to address the singular large problem of the upcoming biennium and is prioritizing targeted reserves for high-cost items like field turf and deferred maintenance for roofs and boilers.

Budget Risks and Opportunities

Several external risks are being monitored, including potential state legislative reductions of 2.5% to 5% to the State School Fund and the Local Option Equalization Grant. While the February economic report showed a general fund gap, it was better than expected, and advocacy continues to protect these funding streams. Internally, the district faces the challenge of rising SPED and high-cost claims even as overall enrollment declines. However, there is positive news regarding federal Title Grant funding, which is now expected to remain flat or see only a minor reduction rather than the significant cuts previously feared.

PERS Side Account Update

The district is preparing for the expiration of PERS side accounts on June 30, 2026. Without the creation of new side accounts, the district will transition to higher "school pool" rates for the 2027-2029 biennium, approximately 29.24% for Tier 1/2 and 26.63% for OPSRP. While updated actuarial data suggests the impact may be slightly better than the original forecast, the district still expects an annual hit of approximately \$1.1 million. To mitigate this, the administration plans to build a reserve this year to smooth the financial impact over the next two fiscal years rather than drawing from the general operational reserve.

Grant Funds

Grant funding remains stable with few major changes to report. There has been a recent uptick in spending related to bus expenditures, which is being offset by state and federal credits. The district is also currently navigating the grant selection process for a new summer school grant. Regarding federal Title funding, the district is adjusting its planning based on the news that Title 1C funding will likely only see a 5% reduction, allowing for more consistent programming than originally anticipated.

Capital Projects

The district currently has limited funds in the capital projects account and is working to transition from "firefighting mode" to a proactive maintenance strategy. Recent emergencies including major flooding at Pine Grove and Wy'east and an obsolete fire panel at Mid Valley have highlighted the high cost of reactive repairs. The Long-Range Facilities Planning Committee is currently reviewing ODE assessments that show \$26 million in immediate needs.

All reports and supporting materials are available upon request.

4. Adjourn – 4:57. P.M.