

BOARD OF DIRECTORS – REGULAR MEETING
Bob Keefer Center – Heron Room
Wednesday, December 19, 2018 - 6:30 p.m.
250 South 32nd Street, Springfield, Oregon, 97478

CALL TO ORDER

Vice-President James called the meeting to order at 6:30 PM.

ROLL CALL & FLAG SALUTE

- Present - Vice President James, Director Ross, Director Ballew, and Director Beyer.
- Absent - President Bean
- Staff - Michael Wargo, Eric Adams, Dania Ballard, Kendall Reid, Bryan Beban, and Susanne Neff.
- Guests - Pete Bejarano, Margaret Breithaupt, Chris Wig, and Erin Fifield.

ADJUSTMENTS TO THE AGENDA

None were made.

AUDIENCE PARTICIPATION

No participation took place.

CONSENT CALENDAR

- Minutes - Regular Board Meeting of November 14, 2018.
- Expenses - Check details from November 1, 2018 through November 30, 2018.
- Financial Report - Revenue & Expenses, Actual vs. Budget, July 1, 2018 to October 31, 2018

Director Beyer moved to approve the Consent Calendar as presented, and Director Ballew seconded the motion, which passed unanimously; 4:0.

UNFINISHED BUSINESS - Items for Discussion

- **AUDITOR'S REPORT** - Margaret Breithaupt, representing Pauly Rogers and Co., P.C., presented their completed Minimum Standards and Financial Audit Statement for fiscal year ending June 30, 2018. The report included the following statements:
 - Audit Opinion Letter - An unmodified opinion on the basic financial statements was issued; meaning, a "clean" opinion with no reservations was issued.
 - State Minimum Standards - No exceptions or issues were noted, other than an increase to Bond Construction expenditures for needs that initially did not exist when the budget was originally determined and adopted.
 - Management Letter - No material weaknesses were identified. The District was found to be at significant deficiency risk regarding the segregation of duties with regard to internal control processes; no one employee should have access to all phases of a complete transaction related to banking, accounts payable, and journal entries.

Ms. Breithaupt noted that the Board is actively reviewing check sequences for the District, and given the limited number of current accounting staff, complete segregation of all duties could prove difficult. The recommendations suggest providing restricted access for accounting staff to include only the required areas within the accounting software necessary to complete specific tasks, and the Financial Director should open and review all bank statements and canceled checks before assigning reconciliation duties to accounting staff.

The report detailed that disclosures in the basic financial statements were neutral, consistent, and clear. No difficulties were encountered while performing and completing the audit, and there were limited immaterial uncorrected misstatements noted during the audit that were immediately addressed by management. The audit team was pleased to report that no material inconsistencies, misstatements of facts, or disagreements with management arose during the course of the audit.

Additional Best Practices and risk mitigation recommendations were discussed. Director Beyer requested additional suggestions for staff and the Board regarding the separation of duties in the finance department. Ms. Breithaupt responded that she would gladly provide additional suggestions.

- BOARD RETREAT ITEMS - President Bean requested follow-up and discussion of the following:
 - a) Emails to the Board and/or Superintendent - Vice President James explained that he is working with the Workplace Environment Committee and they are currently revising the Abuse Prevention and Reporting policy. He recommended tabling further discussion and clarification until the committee has the opportunity to complete the revision process, and then have them present their recommended policy changes to the Board. He is confident that committee efforts would merit the best result.
 - b) Willamalane email addresses for Board Directors - Should each Board Director have an individual Willamalane-based email address. Having a Willamalane-based email address could help delineate District-only communication from other personal and professional emails sent to a private email address. Board Directors were clear that all Board related emails need to be addressed as a group, as no single Director has the authority to effect change. Superintendent Wargo will have Information Technology (IT) staff offer several suggestions to the Board for their consideration.

UNFINISHED BUSINESS – ACTION ITEMS

- a) Low Income Housing Property Tax Exemption [Resolution 18-19-04] - Erin Fifield from the City of Springfield explained that the governing boards of a sufficient number of local taxing districts must agree to the tax exemption program in order for the County Assessor to exempt all property taxes. The City of Springfield and Springfield School District #19 have agreed to the low income rental housing tax exemption pursuant to ORS 307.515 to 307.523 and Sections 3.500 to 3.508 of the Springfield Municipal Code. Together, the City of Springfield and Springfield School District #19 total 61.31% of the total combined rate of taxation.

Directors discussed the difference between the Low Income Housing Property Tax Exemption and a Charitable Tax Exemption typically granted to qualifying non-profit entities with projects unrelated to housing.

Director Beyer made motion to approve Resolution 18-19-04, which resolved to adopt the provisions of ORS 307.515 to 307.523 and Sections 3.500 to 3.508 of the Springfield Municipal Code with respect to a tax levy exemption for low income rental housing properties under and of the

Springfield Municipal Code. Motion was seconded by Director Ross and passed with a 4:0 unanimous vote.

- b) System Development Charges (SDC) Update [Resolution 18-19-03] - The Board was asked to consider adopting Resolution 18-19-03, adjusting Parks and Recreation SDC rates to reflect changes in costs. Planning and Development Manager Eric Adams reviewed the agenda memo that detailed the increases and how they were calculated based on consulting firm FCS Group recommendations. Director Ross motioned to approve, which was seconded by Director Ballew and approved by a unanimous vote of 4:0. New rates become effective January 1, 2019.
- c) Personnel Policy Update - The Board was asked to consider approving the District's revised Personnel Policy reflecting changes previously approved. Superintendent Wargo summarized the revisions as written in the Board Meeting Agenda Memo. Director Beyer made motion to approve, Director Ross seconded, and the motion was approved unanimously, 4:0.
- d) Willamalane Insurance Renewal - On December 31, 2018 the District's current property, casualty, and liability insurance policy expires. The Board was presented with policy renewal information provided by Special Districts Insurance Services (SDIS). The recommendation from Superintendent Wargo and the District's insurance agents of record is to continue coverage through December 31, 2019 with SDIS. Director Ballew made motion to approve, which was seconded by Vice President James. The motion passed unanimously, 4:0.

REGULAR BOARD MEETING

- BUSINESS FROM LEGAL COUNSEL - Nothing to report at this time.
- STANDING AND SPECIAL COMMITTEES REPORTS - Director Ballew mentioned a Photo Contest, sponsored by the Foundation. Director Ross will be one of the judges.
- SUPERINTENDENT BUSINESS/REPORT - Superintendent Wargo reported that the District has received a great deal of positive feedback following the rollout of the 75th Year Anniversary program featuring the new "75 Years & Counting" logo, and acknowledged the effort and creativity of the District Marketing team. Everything produced in 2019 leading up to the September 29th anniversary date will feature the new logo. He mentioned that staff will present at an upcoming Board meeting and share some of the programs and events that are planned. Superintendent Wargo also recognized the efforts of Resource Development Coordinator Bryan Beban, who is responsible for attaining partnerships and sponsorships with various community resources. Mr. Beban wrote the historical article about Willamalane, and was able to secure a large sponsorship from International Paper. Funding will allow Willamalane to replace all life jackets and provide on-site storage facilities for various playground programs.

New Accountant Lisa Raffin will begin Paula Davis Operations Director. Next month presenting Employee of the Month. Next meeting is January 9, 2019.

- UPCOMING MEETINGS/WORK SESSIONS/EVENTS - As listed in the Board Packet for December and January.

ADJOURNMENT

Vice President James adjourned the meeting at 7:15 PM.