

WILLAMETTE FALLS LOCKS AUTHORITY

Authority Meeting
May 22, 2024 – 2:00-3:00 PM
Meeting Minutes

(Minutes: Pat Vivian and Sandy Carter)

Authority Board Members Present:

Russ Axelrod [*Geologist, former West Linn Mayor*]
Robert Kentta [*Confederated Tribes of Siletz*]
Christine Lewis [*Metro Council*]
David Penilton [*Clackamas County Tourism/MERC Commission*]
Denyse McGriff [*Mayor, Oregon City*]
Chris Mercier [*Vice Chair, Confederated Tribes of Grande Ronde*]
Mini Sharma Ogle [*PGE*]

Excused Absences:

Sandy Carter [*Advocates for Willamette Falls Heritage*]
Mary Baumgardner [*President, West Linn City Council*]

Staff:

Reed Wagner [*WFLA Executive Director*]
Georgia Langer [*Metro*]

Others Present:

Keith Hobson [*Keith Hobson Consulting*]
Martha Pellegrino [*Grand Ronde*]
Doug Riggs [*City of West Linn*]
McKenzie Worthington [*SD 19 – Pres. Wagner*]

1. Welcome, Agenda Review, Minutes Approval and Accounting Update

Chair Christine Lewis called the meeting to order and asked for volunteers to help her conduct a six-month review of the executive director position. Chris Mercier and Mini Sharma Ogle volunteered to help.

Chair Christine Lewis noted that the March and April Minutes were on the agenda to be approved.

MOTION: Denyse McGriff made a motion that the March and April minutes be approved, seconded by Russ Axelrod. Both sets of minutes were unanimously deemed final.

ACTION: With all in favor, the March and April minutes were approved unanimously.

1a. Treasurer's Report.

Treasurer Denyse McGriff reported that the Budget subcommittee met. Reed distributed copies of a new budget vs. actuals for July 2023 to March 2024. Treasurer McGriff shared that the budget is still on track, with revenue coming in from partners as expected. She noted that this includes Marion County, which contributed \$30,000 that is not shown in the budget, as well as an Oregon Mt. Hood Territory contribution of \$120,000, as they were originally budgeted for in 2022-23.

MOTION: Russ Axelrod made a motion that the treasurer's report be approved, seconded by Chris Mercier.

ACTION: With all in favor, the treasurers report was approved unanimously.

2. Director's Report

2a. Recreation and Tourism Update. Executive Director Reed Wagner shared that next week, three of the Board's legislative advisors are scheduled to join board members on a guided tour of the Locks, along with staff from Sen. Wyden's office and WFLA staff members. McKenzie Worthington asked for details of the tour so she could join; Chair Lewis will follow up with her.

Reed shared that he met with Rivers of Life, a group of river users including Oregon City and West Linn staff as well as tourism promoters, to give an update on the Authority's efforts to reopen the Willamette Falls Locks. Rivers of Life has proposed a proclamation for jurisdictions and interests to sign. Reed asked the Board to consider whether they want to participate in the proclamation.

2b. Corps of Engineers Update. Reed shared that the contractor performing the seismic work has completed their work and the Corps expects to finish this summer, Reed reported. Real Estate transfer is currently working through shorter term easements followed by work on perpetual easements. The Corps has awarded the contract for developing a historic property manual to Historic Research Associates. They have a year to complete the work, and Jessica Gabriel will be stepping into Tracy Schwartz's role as the Corps historic preservation officer.

2c. Financial Policies and Procedures Manual Review and Adoption. Keith Hobson led the discussion, noting that Chapters 3 and 6 of the manual were scheduled to be adopted, while Chapters 2, 7 and 8 were up for review in preparation for adoption at the June board meeting.

Chair Lewis asked board members if they had any questions about adopting chapters 3 and 6 as presented today. There were none, so discussion moved to the financial policies and procedures covered in those chapters.

Chapter 3, Revenue and Receipts. Keith Hobson shared that there have been no changes as a result of last month's board review and discussion. He noted that this chapter covers how the Authority collects money when there are revenue agreements.

Chapter 6, Banking and Cash Management. Keith Hobson made two changes based on last month's discussion. The first was in response to a requirement for dual signatures on checks. He got feedback that this is an unnecessary burden, so he replaced it with a requirement that payments over \$2,500 that are not part of a Board-approved contract or purchase be reported to the Board. Keith Hobson added that the second change was in response to a recommendation to add procedures preventing fraudulent intrusion.

Russ Axelrod asked about the new language regarding payments over \$2,500 that are not part of a Board-approved contract.

Keith Hobson explained that in Chapter 5, the Board president and treasurer are authorized to make payments up to \$250,000 on a contract previously approved by the Board, otherwise the limit is \$100,000. The executive director can make payments up to \$25,000 on a contract previously approved by the Board.

MOTION: Russ Axelrod made a motion to adopt Chapters 3 and 6 of the Fiscal Policies and Procedure manual. Denyse McGriff seconded.

ACTION: With all in favor, the motion passed unanimously.

Keith Hobson explained that the Board is scheduled to adopt Chapters 2, 7 and 8 at next month's meeting. In preparation for that, they discussed the content of these chapters today.

Chapter 2, Budget. The objective of budget policy is to define roles, (e.g. the executive director is designated as budget officer), Keith said. This chapter defines the budget committee as a subset of the Board, which complies with local budget law. The policy recommends that the number of members of the budget committee not create a Board quorum. This is to keep the budget committee from turning into a board meeting.

In establishing how appropriations are made, the budget policy gives the Board the authority to expend funds. Keith wrote the policy so the Board can make appropriations at the line item level; if the operation grows significantly, appropriations can be made by organization unit (i.e. major departments such as administration). The organization unit categories are available for

use but are not required. Using them at this point would be cumbersome and unnecessary, but it's best to set them up now so they're available if needed, Keith said.

Chapter 7, Financial Reporting. This policy covers year-end and monthly reporting in compliance with the legislation that created the Authority. It exempts the Authority from municipal auditing requirements and gives the flexibility to perform either a year-end audit or an attest engagement using agreed-upon procedures. An attest engagement using agreed upon procedures is significantly less expensive than an audit. The policy also calls for monthly reports and establishes a process for the Board to request additional information from the contract accountant if needed.

Chapter 8, Investment Policies and Procedures. Keith modeled the State Treasurer's investment policy in this chapter, which covers in detail any investment scenario the Authority might encounter. It's mandatory that the investment policy be approved by the State Treasurer's office if the fund holds investments with maturity over 18 months. Keith wrote the policy so all funds other than capital and debt service funds have a maximum maturity of 18 months, thereby avoiding the need for state review. The limit only applies to general operating funds; other types of funds, such as capital improvements or debt service, can be held for longer than 18 months.

Keith asked the board to consider whether 18 months is adequate. The longest possible timeframe under state law is 36 months.

Doug Riggs confirmed that bonds issued by the state, such as lottery bonds allocated to the Authority, are intended for a specific purpose, and those funds can be expended within a specific timeframe. The state expects the money to be spent on the project, not invested.

2c. Auditing Proposal. Executive Director Reed Wagner reported. In the Board's April discussion, a \$25,000 estimate for an audit seemed excessive, so he consulted WFLA Legal Counsel, Clark Balfour about statutory requirements. A full audit is unnecessary if the Board follows agreed-upon procedures (as discussed under Chapter 7 above). The cost of using this approach would be about half that of a full audit, or \$10-15,000.

MOTION: Russ made a motion that the Board appoint the public accounting firm TKW to provide attestation services on a three-year contract with an option for two years. The motion was seconded by Denyse McGriff.

ACTION: With all in favor, the motion passed unanimously.

2d. Engineering Evaluation Update. Reed reported on his recent conversations with KPFF, the engineering firm that did the original evaluation for the Willamette Falls Locks Commission.

KPFF has agreed to charge \$5,000, rather than their initial quote of just under \$7,000, to update their 2018 restoration estimate to 2026 dollars, when construction will probably occur.

3, Wrap Up and Adjourn

Chair Lewis proposed that the Board take either July or August off for vacation season. The group agreed to cancel the July 24 Board meeting (with the option of reinstating it if necessary) and meet as usual on August 28.

The June 26th WFLA Board meeting will be held at the Oregon City Hall, 625 Center Street.