



# Willamette Falls Locks AUTHORITY

## Authority Meeting

### Oregon City Library

606 John Adams St, Oregon City

Wednesday, March 27, 2024 – 2:00 to 3:30 PM

Optional hybrid attendee link: <https://us06web.zoom.us/j/89653603970>

## Agenda

### Authority Mission:

- *The mission of the Authority is to establish ownership, oversight, and management of the Willamette Falls Locks project, for the purposes of:*
  - *Enhancing the economic vitality of Oregon through facilitating the resiliency and navigability of the Willamette River; and*
  - *Repairing, maintaining, upgrading, and operating the Willamette Falls Locks project and associated properties and facilities for commercial, transportation, recreational, cultural, historic, heritage and tourism purposes.*

2:00 – 2:15	<b>Welcome, Agenda Overview, Board Officer Elections. Minutes Approval</b> <ul style="list-style-type: none"> <li>○ Welcome, Agenda Review</li> <li>○ <b>Approval</b> of Minutes from WFLA Meeting (February 2024)</li> <li>○ Accounting and Treasurer’s update <ul style="list-style-type: none"> <li>▪ Total Year to Date: Budget to Actuals</li> <li>▪ <b>Approval</b> of Treasurer’s report</li> </ul> </li> </ul>
2:15 – 3:00	<b>WFLA Director’s Report - Business Item Updates</b> <ul style="list-style-type: none"> <li>- Financial Decisions and Policies <ul style="list-style-type: none"> <li>▪ Financial Policies and Procurement Manual <ul style="list-style-type: none"> <li>- <b>Adopt Chapters 1 and 4 of Financial Policies</b></li> </ul> </li> <li>▪ Accounting and Auditing Update</li> <li>▪ Fiscal Policy Manual Outline and Timeline</li> <li>▪ Budget Calendar – Quick Review</li> <li>▪ Multi Year Budget Outlook</li> </ul> </li> </ul>
3:00-3:10	<b>Wrap-up &amp; Adjourn</b> <ul style="list-style-type: none"> <li>○ Next Meeting, April 24, 2024</li> </ul>

# WILLAMETTE FALLS LOCKS AUTHORITY

Authority Meeting  
February 28, 2024 – 2:00-3:30 PM  
DRAFT Meeting Minutes  
(Minutes: Pat Vivian and Sandy Carter)

## **Authority Board Members Present:**

Russ Axelrod [*Geologist, former West Linn Mayor*]  
Mary Baumgardner [*President, West Linn City Council*]  
Sandy Carter [*Willamette Falls Heritage Foundation*]  
Robert Kentta [*Confederated Tribes of Siletz*]  
Christine Lewis [*Metro Council*]  
Denyse McGriff [*Mayor, Oregon City*]  
Chris Mercier [*Vice Chair, Confederated Tribes of Grand Ronde*]  
Mini Sharma Ogle [*PGE*]  
David Penilton [*Clackamas County Tourism*]  
Tootie Smith [*Chair, Clackamas County Board of Commissioners*]

## Legislative ex officio members:

Rep. James Hieb [*House District 51*]  
Rep. Jules Walters

## Staff:

Reed Wagner [*WFLA Executive Director*]  
Keith Hobson [*Marina and Co*]  
Georgia Langer [*Metro*]

## **Others Present:**

Martha Pellegrino [*Confederated Tribes of the Grand Ronde*]  
Doug Riggs [*City of West Linn*]  
Tracy Schwartz and Laura Hicks [*USACE*]

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

1a. Welcome, Agenda Review. Chair Christine Lewis called the meeting to order and reviewed the agenda. A quorum was present. The meeting minutes from the January 2024 Board meeting were unanimously approved, including listing Russ Axelrod as a geologist and former Mayor of West Linn.

1b. Accounting and Treasurer's Report. Executive Director Reed Wagner reported that Treasurer Denyse McGriff would prefer to see reports in a single form that budget to actuals for the total budget year. There was no objection to consolidating these two forms so the request should be implemented, Chair Christine Lewis said.

The Board isn't spending as much as expected, Reed reported. The business plan will show incoming revenues in multiple years, which can be used to establish a budget for the coming year based on revenues promised to the Authority to cover its operating costs. Reed and Christine will work together on a business plan and Denyse will be involved as it relates to the budget.

Reed called for volunteers to form a budget committee and prepare a budget proposal. Christine added that this process is required by state law. There was discussion of who might serve on the committee, which will meet twice a month starting in March or April. Christine Lewis, Mary Baumgardner, Denyse McGriff and Rep. James Hieb offered to serve.

Chair Tootie Smith made a motion to accept the treasurer's report as presented in today's meeting packet. Mary Baumgardner seconded the motion, which passed unanimously.

## **2. Director's Report**

2a. Audit. The RFP for the audit contract closes today, with at least one submission received, Reed reported. The audit will cover 2022-2023 and be done in fall 2024. Proposals for a full audit will be reviewed by March 15. The audit will be shared with state partners. Denyse offered to review it and Tootie noted there will probably be findings.

2b. Budget Calendar. Reed will publish a calendar of budget committee meetings, which will be held in June with the budget approved before July 1, 2024. Keith Hobson pointed out that one of the budget committee meetings must be open to the public. Public input could be included at the end of a regular meeting, Christine said.

She asked how the WFLA budget calendar aligns with other public corporations. Reed discussed the Oregon State Fair, The Port of Portland and OHSU; he said that some of these boards start its budget process as early as September-October of the previous calendar year, Reed said. Their board members, who are not elected, in some cases also serve on the budget committee. Budgeting is one area where there are inconsistent provisions in the statute that created the Authority, Reed noted. This needs to be addressed by the Legislature in the next session.

2c. Financial Policy and Procedures Manual. Keith Hobson gave a presentation on the draft financial policies included in today's meeting packet and welcomed feedback. Each chapter can be independently reviewed and its policies implemented before the total financial policies is

complete. He proposed a two-step process, with each chapter presented and approved at consecutive WFLA Board meetings.

Today he covered Chapters 1, 4 and 5 to be approved at the March Board meeting. These chapters cover financial policies only; implementation details are in the manual itself.

- *Chapter 1* gives an overview of the manual and doesn't need to be adopted.
- *Chapter 4* covers the legal requirements of procurement, including the Executive Director's role and authority. Procurement details are covered in the manual itself.
- *Chapter 5* gives key provisions for delegation of authority. Its purpose is to ensure that expenditures are appropriate and to avoid misuse of funds, theft or fraud. The most problematic areas tend to be travel expenses and non-travel meals.

Chapter 4 designates an executive committee of the Board to review contracts, Christine said. She wants to maintain that process unless there are concerns about delegating authority. Keith said delegation is consistent with common practice and is meant to take pressure off the Board.

It's important to have a policy regarding meals, Tootie said. Clackamas County has a policy of no alcohol while traveling. The use of P-cards should be limited. The main problem with P-cards is failure to collect documentation for expenses, Keith said.

Tootie also asked who signs paychecks. The possibility of having multiple people sign checks will be discussed over the next few months.

Christine noted that travel expenses will probably be limited to Reed's membership in professional organizations such as the Pacific NW Waterways Association. In future, Board members might need to travel to Washington D.C. for lobbying purposes.

There's a \$2,500 limit per transaction while in travel status, or \$10,000 per month, but the Board could raise it, Keith noted. The policies need to include purchases like a Zoom subscription and software such as QuickBooks.

2d. Procurement Manual Update. Keith and legal counsel have reviewed this and provided a red-line version. Keith said his edits are mainly clerical, but there are four areas with substantive changes:

- In *Section 1.3*, he proposed a change from the whole board to an executive committee. He suggested the red-line changes be stricken and the language kept as is.

- A *small procurement exemption* allows a noncompetitive process for contracts of less than \$10,000, which is consistent with public contract code. That exemption was recently increased to \$25,000, so Keith suggested increasing it in the manual as well.
- In *Section 5.2* regarding non-architectural and procurement contracts, the Board is electing to follow procurement rules. Stating that it's an election keeps the option open for the Board to follow its own rules in future.
- *Section 6.3* gives specific rules on how qualification works. Agencies are expected to select without considering price in the first review. Keith modified this section according to those rules as a safeguard against unethical contractor behavior.

Russ requested that a footer or header with the date of this version be included in the revisions. He wanted assurance that environmental contracts are covered under Engineering and Design; Reed said they are usually considered part of design or engineering.

Robert Kentta said the contracting language should address whether activities are exempt from SHPO review. We need to engage SHPO in crafting language about maintenance and improvements; references should be made in the text to ensure this isn't overlooked. Reed will cross-reference these policies when he updates the document.

Sandy Carter questioned the language about policy and practices at the top of page 5 under Section 1.5 that says, "Discovery of this contracting process could result in liability." That came from existing rules regarding who has the authority to sign contracts, Keith said.

2e. Website Review and Discussion. Georgia Langer introduced the new website she has designed for the Authority, incorporating the logo from the Willamette Falls Locks Commission site hosted by Oregon Solutions. The new website ([willamettefallslocks.org](http://willamettefallslocks.org)) provides materials for past meetings, historical photos, a timeline, future plans and a list of partnering agencies in the Locks restoration effort.

Christine asked Board members to review the draft website and send their comments to Reed, copying all Board members.

Georgia announced that the contract to complete the historic property management manual is out for bid and will be open until March 10. Tracy Schwartz was present today to answer questions. She said the contractor will be hired by April. The scope of work is posted online at [sam.gov](http://sam.gov). On Monday Tracy sent Board members an email to schedule a biennial check-in meeting, which will be held sometime in early to mid-April.

### **3. Decisions**

3a. Budget Calendar. Russ Axelrod made a motion to approve the 2024-25 proposed budget calendar as presented. The motion was seconded by Denyse McGriff and passed unanimously.

3b. Procurement Manual Update. Russ made a motion to approve Resolution 24-02 to update the Willamette Falls Locks Authority procurement manual as presented. The motion was seconded by Chair Tootie Smith and passed unanimously.

### **4. Wrap Up and Adjourn**

The next WFLA Board meeting will be March 27. Because that's during spring break, the meeting will be set up for virtual attendance for those who are traveling.

A legislative tour of the Locks will be scheduled soon. Reed will coordinate with Mini Sharma Ogle, PGE.

# Willamette Falls Locks Authority

## Budget vs. Actuals YTD Actual vs Total Budget

July 2023 - January 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
40001 Beginning Fund Balance		356,703.00	-356,703.00	
43100 Intergovernmental Revenue				
43110 Metro	40,000.00	40,000.00	0.00	100.00 %
43120 Clackamas County	40,000.00	40,000.00	0.00	100.00 %
43130 City of West Linn	15,000.00	15,000.00	0.00	100.00 %
43132 City of Oregon City	10,000.00	10,000.00	0.00	100.00 %
43133 City of Wilsonville	7,000.00	7,000.00	0.00	100.00 %
43134 City of Gladstone	2,500.00	2,500.00	0.00	100.00 %
<b>Total 43100 Intergovernmental Revenue</b>	<b>114,500.00</b>	<b>114,500.00</b>	<b>0.00</b>	<b>100.00 %</b>
43200 Interagency Revenue				
43210 PSU		75,600.00	-75,600.00	
43230 Confederated Tribes of the Grand Ronde	10,000.00	10,000.00	0.00	100.00 %
43250 PGE	20,000.00	20,000.00	0.00	100.00 %
<b>Total 43200 Interagency Revenue</b>	<b>30,000.00</b>	<b>105,600.00</b>	<b>-75,600.00</b>	<b>28.41 %</b>
<b>Total Income</b>	<b>\$144,500.00</b>	<b>\$576,803.00</b>	<b>\$ -432,303.00</b>	<b>25.05 %</b>
<b>GROSS PROFIT</b>	<b>\$144,500.00</b>	<b>\$576,803.00</b>	<b>\$ -432,303.00</b>	<b>25.05 %</b>
<b>Expenses</b>				
53300 Contract Services				
53310 Contract Management	70,000.00	120,000.00	-50,000.00	58.33 %
53320 PSU		12,000.00	-12,000.00	
53330 Administrative Services	2,250.00	12,000.00	-9,750.00	18.75 %
53340 Internet / Web Design	337.50	10,000.00	-9,662.50	3.38 %
53350 Communications		450.00	-450.00	
53360 Web Hosting	49.77	900.00	-850.23	5.53 %
53370 Zoom Webinar	379.96	1,140.00	-760.04	33.33 %
53390 Misc Contract Services		2,500.00	-2,500.00	
<b>Total 53300 Contract Services</b>	<b>73,017.23</b>	<b>158,990.00</b>	<b>-85,972.77</b>	<b>45.93 %</b>
53500 Professional Services				
53510 Legal	7,052.50	15,000.00	-7,947.50	47.02 %
53530 Financial	8,190.00	25,000.00	-16,810.00	32.76 %
<b>Total 53500 Professional Services</b>	<b>15,242.50</b>	<b>40,000.00</b>	<b>-24,757.50</b>	<b>38.11 %</b>
53700 Administrative Expenses				
53710 Bank Fees		120.00	-120.00	
53720 Insurance	3,329.64	3,329.00	0.64	100.02 %
53730 Printed Collateral	154.72	2,500.00	-2,345.28	6.19 %
53740 Marketing/Fundraising	884.51	10,000.00	-9,115.49	8.85 %
53750 Memberships	750.00	6,500.00	-5,750.00	11.54 %
53760 Travel	1,148.47	3,000.00	-1,851.53	38.28 %
53770 Training /Conferences	1,180.00	3,000.00	-1,820.00	39.33 %
<b>Total 53700 Administrative Expenses</b>	<b>7,447.34</b>	<b>28,449.00</b>	<b>-21,001.66</b>	<b>26.18 %</b>
53800 IT / Technology				

# Willamette Falls Locks Authority

## Budget vs. Actuals YTD Actual vs Total Budget

July 2023 - January 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
53810 Software Licenses	242.00		242.00	
53820 Web Hosting	264.63		264.63	
53850 Small IT Equipment	1,099.97		1,099.97	
<b>Total 53800 IT / Technology</b>	<b>1,606.60</b>		<b>1,606.60</b>	
54000 Operating Expenses	275.00		275.00	
<b>Total Expenses</b>	<b>\$97,588.67</b>	<b>\$227,439.00</b>	<b>\$ -129,850.33</b>	<b>42.91 %</b>
NET OPERATING INCOME	<b>\$46,911.33</b>	<b>\$349,364.00</b>	<b>\$ -302,452.67</b>	<b>13.43 %</b>
Other Income				
48100 Interest Revenue	52.42	86.00	-33.58	60.95 %
<b>Total Other Income</b>	<b>\$52.42</b>	<b>\$86.00</b>	<b>\$ -33.58</b>	<b>60.95 %</b>
Other Expenses				
81000 Operating Contingency		40,136.00	-40,136.00	
89999 Unappropriated Ending Fund Balance		309,314.00	-309,314.00	
<b>Total Other Expenses</b>	<b>\$0.00</b>	<b>\$349,450.00</b>	<b>\$ -349,450.00</b>	<b>0.00%</b>
NET OTHER INCOME	<b>\$52.42</b>	<b>\$ -349,364.00</b>	<b>\$349,416.42</b>	<b>-0.02 %</b>
NET INCOME	<b>\$46,963.75</b>	<b>\$0.00</b>	<b>\$46,963.75</b>	<b>0.00%</b>



# Board Report – Adopt Chapters 1 and 4 of Financial Policies and Procedures Manual

March 27, 2024

## **Summary**

Staff is requesting the Board to approved the following chapters of the Financial Policies and Procedures Manual:

- Chapter 1 – Overview
- Chapter 4 – Procurement and Contracting

## **Background**

At the February 28, 2024 Chapters 1, 4 and 5 of the Financial Policies and Procedures Manual were reviewed with the Board with the intention of bringing back individual chapters for adoption once all board questions and concerns had been addressed. Chapter 5, expenditures, had more issues to address, and will be brought back to the Board at the April meeting.

Also at the April Meeting, the WFLA Procurement Manual was adopted with a few edits from the version being proposed. Specifically these edits were:

- In Section 1.3, the designation of the Local Contract Review Board (LCRB) was kept as the full Board.
- In Section 1.5, language regarding effects of non-compliance with procurement laws and rules was removed and moved to its own section, Section 1.11.

Since the Procurement Manual is referenced in the Financial Policies and Procedures Manual, Chapter 4, the final adopted version is being provided again as part of the Board materials.

## **Proposal**

Chapter 1 is only an Overview of the Manual and does not contain any fiscal policies so it can be adopted as is. The only changes made to this chapter from the Board discussion are the creation of a footer including chapter number, date of adoption, and page numbers.

Chapter 4 addresses Procurement and Contracting and establishes the delegation of authority. I also refers to the WFLA Procurement Manual for compliance with the Public Contracting Code and the Attorney General Model Rules for Public Contracting. The only changes made to this section are the designation of the full Board as the Local Contract Review Board, consistent with the WFLA Procurement Manual, and the creation of a footer including chapter number, date of adoption, and page numbers.

With these relatively simple changes made, these chapters are ready for adoption by the Board.

**Requested Board Action**

The Board Adopts Chapters 1 and 4 of the Financial Policies and Procedures Manual, and the Financial Policies contained therein.

# WFLA Financial Policies and Procedures Manual

## Chapter 1 – Overview

### PURPOSE AND ORGANIZATION:

The purpose of the Financial Policies and Procedures Manual is to describe and document how the financial management activities for WFLA are to be carried out. The areas to be covered by these policies and procedures include:

- Clarification of roles and delegation of authority,
- Safeguarding of assets,
- Strategic and prioritized use of limited resources
- Proper recording and accounting of financial activity, and
- Compliance with applicable laws and regulations

This Fiscal Policies and Procedures Manual is organized under the following hierarchy

- **Chapters:** This Manual is broken into chapters, which cover major areas of fiscal policy and procedure. The chapters can be independently reviewed and adopted, and independently amended where necessary, rather than requiring adoption or amendment of the entire Manual. Each Chapter contains:
  - **Objectives:** Each Chapter begins with a listing of the desired outcomes of the policies and procedures contained within that section. This is the “why” of the Chapter, and is intended to specify desired internal control elements and any other justification for the resulting policies and procedures.
  - **Sections:** Sections are a further breakdown of the Chapter contents, and each section contains:
    - **Policies:** Policies are adopted by the Board and establish the guidelines for fiscal activity for the organization. For instance, the policies establish delegation of authority from the Board to the Executive Director. Policies can only be amended or rescinded by the board; as such they are intended to be broad statements of intent rather than address specific activities
    - **Procedures:** Procedures are implemented by the Executive Director, although input of the Board (or possibly just the Board Treasurer) may be solicited in the development of the procedures. The procedures are be drafted to ensure compliance with the Board-adopted policies, as well as to provide adequate internal financial controls. Procedures will define specific activities and may be changed by the Executive Director as necessary to address changing organization needs, or changing technical, legal, or regulatory requirements.

# WFLA Financial Policies and Procedures Manual

LIMITATIONS: This Manual, and especially the procedures therein, has been created within the limitations of the current operating and administrative structure of the Authority. These limitations include limited staffing, which makes segregation of duties impossible. They also include limited financial management system capabilities; there is not enough financial activity to warrant a robust financial management system. This recognizes that as the Authority grows and additional administrative resources are added, the fiscal policies and procedures will have to be revised and updated.

ROLES: There are certain essential roles referenced in this Manual and these roles are defined as follows:

- Board: The governing board of the Authority, which consists of the appointed voting members of the Authority as defined in ORS 196.210
- Officers: The Chair, Vice-chair, Secretary and Treasurer as defined and in Section 2 of the Authority By-laws.
- Executive Director: The Director as defined in Section 3 of the Authority By-laws. This position may be filled either by contract or employment.
- Contracted Service Providers: Key contracted service providers relevant to the Manual include:
  - Auditor: The external Certified Public Accounting firm engaged to provide meet the Audit requirements as specified under ORS 196.240
  - Financial Services Consultant: A contracted service provider, providing expertise in budget, procurement, and financial management.
  - Accountant: A contracted service provider, providing accounting services including management of accounts payable and bill payment, bank account reconciliation, and transaction recording and monthly financial reporting.

# WFLA Financial Policies and Procedures Manual

## Chapter 4 – Procurement and Contracting

### Objectives

The policies and procedures related to Procurement and Contracting are intended to:

- Delegate authority for procurement and contracting activity that balances the need for efficient operations with the need for proper oversight.
- Defines the Local Contract Review Board, per ORS 279A.060, for the Authority
- Ensure compliance with ORS 279 (A-C) and Attorney General Model Rules (OAR Chapter 137, Divisions 046-049).
- Ensure adequacy of appropriations to support procurement and contracting activity.

### Section 1 Delegation of Authority

#### Policies

Purchases, whether executed through Purchase Order (PO) or written contract, will require approval by action of the full board, unless specifically delegated under this policy. In an emergency, where a purchase is required before a meeting of the full board can occur, the President and Treasurer may approve the purchase and have this approval ratified by the full board at the next regular meeting.

Delegation of Authority.

- The Board President and the Board Treasurer are authorized to approve PO's or Contracts of up to \$100,000, and to approve amendments on existing PO's or contracts of up to the greater of \$25,000 or 25% of the original contract amount.
- The Executive Director is authorized to approve PO's or Contracts of up to \$25,000, and to approve amendments on existing contracts of up to \$5,000.

The Board of the Authority will be designated as the Local Contract Review Board.

#### Procedures

Purchases that must be approved by the board will be approved at a regularly scheduled meeting of the board. Approval may be done under consent. Once the Board has taken action approving the purchase, the President, the Treasurer, or the Executive Director may sign the PO or Contract, or otherwise initiate the purchase.

Approval by the President and the Treasurer will be through the signing of the PO or the contract. If necessary, the approval may be through an email approval of a PO or contract authorizing the Executive Director to sign.

# WFLA Financial Policies and Procedures Manual

The Executive Director will only sign or otherwise initiate transactions that are either within his/her expenditure authority, or have been properly authorized in accordance with the delegation of authority.

## Section 2 Adoption of Model Rules and Exceptions

### **Policies**

The Authority will comply with Public Contracting Code as contained within ORS 279, 279A, 279B, and 279C. Unless otherwise specified in the Procurement Manual, the Authority adopts the Attorney General Model Rules for Public Contracting (Model Rules) contained within Oregon Administrative Rules (OAR) Chapter 137, Divisions 046 through 049.

The Procurement and Contracting Policies and Practices are included in the Willamette Falls Locks Authority Procurement Manual, adopted by the Governing Board July 21, 2023, and amended by the Governing Board February 28, 2024.

### **Procedures**

Procedures are included in the Procurement Manual.

# Willamette Falls Locks Authority

## Budget Calendar

FY 2024-25 Budget

Step		Detail	Date
1	Appoint Budget Officer	Should be Executive Director	January Board Mtg January 24, 2024
2	Appoint Budget Committee Members, and Approve Budget Calendar	Until legislative clarification, appoint governing board plus advisory members as the budget committee	February Board Mtg February 28, 2024
3	Prepare proposed budget	Can start before step 2	February - April
4	Publish first notice of Budget Committee meeting	Not more than 30 days before the meeting	Date TBD
5	Publish second notice of Budget Committee meeting	Not less than 5 days before the meeting	Date TBD
6	Budget Committee meeting	At least one meeting required. Committee must receive the proposed budget, and approve the budget with any changes made by the Committee.	April Budget Committee Mtg Date TBD
7	Budget Committee meets again if needed	Sometimes two meetings are necessary to answer questions and make adjustments to the proposed budget prior to approval.	May if needed Date TBD
8	Publish notice of Budget Hearing	5-30 days before the hearing. Notice must include summary of the approved budget	May 27, 2024 to June 20, 2024
9	Hold Budget Hearing	Conducted by Governing Body. Must provide opportunity for public comment.	June Board meeting, unless a separate hearing is desired June 26, 2024
10	Enact Budget Resolution: 1. Adopting Budget 2. Making Appropriations 3. Imposing and categorizing taxes (N/A)	Can be, and often is, done at the Budget Hearing. Must be completed by June 30.	June Board meeting June 26, 2024
11	Submit Tax certification documents to the County Assessor, if applicable	Must be submitted by July 15.	July 12, 2024
12	Finalize Budget Document and make available to the public	Must file with either County Clerk or Sec of State	September 15, 2024

Note – Clackamas County governments are not subject to TSCC requirements (or alternate publication requirements at this time, but will be once the County population exceeds 500,000

