



BOARD OF DIRECTORS BUSINESS MEETING MINUTES

1750 W. McKinney Butte- PO Box 2215 - Sisters, OR 97759 | ph: 541-549-2091 | sistersrecreation.com

December 27, 2022- 4:30-6:30 p.m.

Call meeting to order

President Tehan called the meeting to order at 4:30 p.m.

Board members in attendance: Peggy Tehan, board president, Jeff Tryens, board vice president, Bob Keefer, board treasurer, Heath Foott, board member

Board members absent: Molly Baumann, board secretary

Staff members in attendance: Jennifer Holland, executive director, Britney Steigleder, accounting clerk, Sarah McNeale, recording secretary

No adjustments were made to the agenda. Agenda approved.

Welcome visitors

President Tehan welcomed Tracy Jones of Pauly Rogers & Co.

No public comments were submitted.

Receive FY22 audit presentation

President Tehan introduced Tracy Jones of Pauly, Rogers and Co., P.C. who joined via Zoom to present to results of the FY22 audit. Tracy reviewed the audit process, and governing board letter.

The goal of an audit is to ensure that an organization's financials are free from material misstatements and that the district complies with Oregon Revised Statutes (ORS) and the Governmental Accounting Standards Board (GASB). The audit found that there were no material misstatements in SPRD financials and issued an unmodified clean opinion. There was no management letter, no significant deficiencies, no material weaknesses, and no separate management letter.

Tracy alerted the board and staff about one potential future issue which could arise if the district were to take on large leases over extended periods which would require a more complicated system to book the debt and correctly report on financial statements.

Additionally, Tracy noted two best practices for the district to consider including moving away from QuickBooks accounting software and increasing capitalization of assets to \$5,000.

Tracy Jones referred to SPRD's previous audits and described significant improvement in the district's performance each audit year.

Treasurer Keefer applauded staff for their good work growing budget back while maintaining net position through COVID by obtaining grant funding and controlling expenses.

President Tehan added that the next audit will show if the district is able to maintain its strong financial outlook as it continues to add to its program offerings without increasing fees.

The audit has been filed with the state and President Tehan thanked Tracy and staff for completing the audit before the deadline.

Review and consider approval of consent calendar

- October financials

Treasurer Keefer moved to approve consent calendar; Vice president Tryens seconded; motion passed unanimously.

Receive draft November financials

Britney Steigleder, accounting clerk, presented the draft November financials to the board, calling attention to the following items.

- High accounts payable, due to two payments to be made, the UK Soccer payment approved by the board in a prior meeting, and a transfer to the Outlaw Basketball Committee for tournament league basketball income which will be presented for board approval later in the meeting.
- Care revenue has increased over the same period in FY22

President Tehan requested that staff track the cost of paying High Desert ESD for care position coverage and the impact it has on the contracted services expenses, which would offset lower staffing costs associated with unfilled care positions. Executive Director Holland agreed that it does skew the materials and services expense numbers for the care programs which are normally quite underutilized. and stated that most likely an appropriations adjustment will need to be made in the future.

No board action needed.

Consider motion to approve authorization of payment of \$14,507.08 from General Fund to Committee Partner Reserve Fund for reimbursement of November OBC tournament and pickleball income.

Britney Steigleder, accounting clerk, requested authorization of a \$14,507.08 payment from the General Fund to the Committee Partner Reserve Fund to transfer committee income for OBC tournament basketball league and pickleball.

Vice President Tryens moved. Board Member Foott seconded. Motion passed unanimously.

Consider motion to authorization mid-fiscal-year COLA adjustment of 4% for all staff

Last fiscal year, the board approved a 7.1% COLA that went into effect July 1, 2022. While staff were incredibly grateful for the board's approval of the COLA, the cost of living continues to rise for all Oregonians. Despite efforts to slow inflation this year's projected COLA remains at over 7%, a number which is anticipated to be finalized in January 2023. Typically, management would ask the board in March to consider a COLA adjustment to be implemented by the start of the next fiscal year, meaning July 1st.

However, as a gesture of support for the financial hardships staff are continuing to face and, on a pragmatic level, to remain competitive with other employers Executive Director Holland asked the board to consider a onetime mid-year 4% COLA adjustment, effective January 1, 2023. This will provide some measure of immediate financial relief to employees. Once the year-end COLA is finalized, management proposes that the FY24 budget assumptions deduct the 4% COLA applied in January from the FY24 COLA. *Example: 7.4% (Year End COLA) - 4% (applied in January) = 3.4% (COLA for FY24).* The City of Sisters and Bend Park & Recreation District took this similar action last year. Over the 6 months January through June this would cost the district under \$14,000.00 and still leave a \$175,000 variance in personnel budget.

After addressing comments and concerns raised by the board Executive Director Holland agreed to revisit the issue in January.



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Determine employee contribution leave for new Paid Family and Medical Leave Insurance program

In 2019, the Oregon Legislature passed House Bill 2005, which established a Paid Family and Medical Leave Insurance program within the Oregon Employment Department (OED). The implementation of this program was delayed but employers will be required to start collecting fees from employees' wages effective January 1, 2023.

Per state law, 1% of an employee's gross wages is to be paid to OED or to a third-party administrator to fund this program. An employer can choose to require that the employee pay for 60% of the 1% of gross wages, while the employer covers 40% of 1% of gross wages. However, employers also have the option to cover the entire 1%.

During the FY23 budget development, staff accounted for the cost of this program in the Personnel Category, under the Associated Payroll Expenses line item and budgeted for it at 1%. Therefore, there is no anticipated budget shortfall due to this new expense should the district choose to cover the entire 1% at a cost of \$4,434.61 for the remaining half of the fiscal year.

Because of the minimal expense this year, and that the district budgeted for this expense at the full 1%, Executive Director Holland recommended the district cover the full 1% of gross wages for the remainder of the current fiscal year. Staff will report back at the end of the first quarter the total cost and impacts. Then, at that time, staff would recommend that a policy be considered by the board for future implementation.

Treasurer Keefer moved to have the district cover the full 1% of employees gross wages for the Paid Family and Medical Leave Insurance program for the rest of FY23 with a plan to revisit for policy in the spring. Vice President Tryens seconded. Motion passed unanimously.

Executive Session: In accordance with ORS 192.660(2)(e) the board will meet to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Treasurer Keefer moved to go into Executive Session at 5:53 p.m.

Moved out of Executive Session at 6:37 p.m.

Appoint up to two board members to assist executive director with Sisters Elementary School lease negotiations

Member Foott moved to appoint President Tehan and Treasurer Keefer to assist executive director with Sisters Elementary School lease negotiations. Vice president Tryens seconded. Motion passed unanimously.

Executive director report

Two program supervisor positions have been filled.

Board member updates

None

Board president updates

President Tehan attended U of O presentation on elementary school building.

Other business

None

Meeting adjourned at 6:42 p.m.



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Respectfully submitted,

Sarah McNeale, recording secretary

Approved by the Board of Directors on 01/24/2023