



**Sisters Park & Recreation District
Board of Directors Special Meeting
Tuesday, April 14, 2020- 10 a.m. to 12 p.m.**

1. Call meeting to order – Jeff Tryens, Board President.....5 min.
 - a. Adjustments and/or approval of agenda

President Tryens called the meeting to order at 10:00 a.m.

Attendees: Jennifer Holland, Executive Director, Jeff Tryens, Board President, Bob Keefer, Board Vice President, Peggy Tehan, Board Treasurer, Rosemary Vasquez, Board Secretary, Heath Foott, Board Member, Sarah Hyatt, Recording Secretary

Visitors: Tracy Jones from Pauly Rogers and CO

Secretary Vasquez moved to adopt the agenda as presented. Treasurer Tehan seconded. Motion carried unanimously

2. Introduction of Sarah Hyatt, Business Operations Manager.....5 min.

Business Operations Manager, Sarah Hyatt introduced herself. Sarah’s previous position was working for Department of Human Services for the State of Oregon. Sarah is concurrently serving in the Oregon National Guard and lives in Prineville with her spouse and two children. She is looking forward to contributing and serving the community of Sisters.

3. Consider accepting Fy18-19 audit report from Pauly Rogers & CO-Tracy Jones Auditor.....30 min.

Tracy, the auditor, initiated the discussion by explaining how SPRD was waiting to receive a response and information from the predecessor auditor, which turned out to be difficult and time consuming. However, the auditor was able to produce a report and stated that the district is in a better position now when compared to the last audit. Tracy then preceded to discuss the outcomes of the report.

- 1). Due to the district not having an actuary, the auditors issued a modified opinion of the basic financial statements due to the district not having a current actuarial evaluation on the implicit health care subsidy. When an employee, who was covered for health insurance by the district, has retired from the district and has not yet reached the age of 65 or is eligible for MEDICARE, the district must provide said employee the opportunity to buy into the SPRD health insurance plan. The plan is like COBRA but lasts until the employee is 65 years of age. This creates a liability for the district, SPRD has to have an actuarial evaluation done that that so it can be recorded and reported for the financial statements, creating transparency. Executive Director Holland indicated that she has reached out to SDAO for clarification and guidance. She is waiting for a response and will follow up with SDAO if she does not receive feedback within the week.



2). Tracy then discussed the state minimum standard, there were no findings, except for property tax that is uncollected. She stated that revenue has gone up from last year as a result of the levy.

3). Next, Tracy switched to the management letter and provided feedback on the following significant deficiencies and best practices:

- a. For several months, there was no indication of when a bank reconciliation was reviewed by someone else other than a person preparing the document and that there were no supporting documents. The auditor recommends encouraging proper controls to be in place to monitor the monthly reconciliations. Tracy asked Executive Director Holland if those proper controls are moving in the right direction. Treasurer Tehan stated that reviews have always taken place as that is part of the packet, she reviews monthly. The monthly packet did not have an actual statement on the reconciliation that noted the date and signature of the review. Executive Director Holland stated that we have added that.
- b. The second significant deficiency regards journal entries, the district did not have supporting backup documents for each entry and there was no evidence of independent approval for the entries. Tracy stated that there have been corrections made to that process, moving in the right direction.
- c. Best Practices
 - i. Fidelity insurance coverage: the first half of the audit had no fidelity insurance coverage (July 2012- December 2018), it was put into place January 2019. There were multiple instances where disbursements did not have evidence of approval and documentation prior to the expenditure being paid. Tracy asked Executive Director Holland if that has been corrected, Executive Director Holland verified that yes, it has.
 - ii. Due to the limited amount of personnel, segregation of duties is not always possible, the auditor recommends the board has oversight on that.
 - iii. Incomplete I-9 forms were not properly completed. The auditor recommends going back and completing them. Executive Director Holland stated that with the new process, she is the one to complete them and updates any that are inaccurate. The process has been fixed for new hires and reactivated employees.
 - iv. QuickBooks accounting software is used, the auditor recommends an audit tracker be put into place, which Executive Director Holland and Interim Business Manager Courtney Snead have been working on since the audit.
 - v. Capital assets- the capital threshold was five hundred dollars but as of October 2019 that threshold was increased to three thousand dollars. The auditor recommends the district adopt a five thousand dollar threshold limit.
 - vi. Cash receipts: the auditor found there were gaps in the cash receipt testing numbers, not sure if it was a system error. Executive Director Holland stated that has been addressed with the new RecTrac update.

Tracy concluded by stating that she was not sure how many findings there were the year before on the audit, but things have significantly improved since then and SPRD is moving in the right



direction. Moving back to the board letter, Tracy wanted to emphasize a few things: GASB 87 may not have a huge impact for SPRD as the lease amount with the school is minimal per year, but it will require the lease being reported similarly to a fixed asset, which will have to be depreciated out. This will be seen on next year's financial report. Treasurer Tehan stated that the Financial Oversight Committee did not have questions and that SPRD has an ending cash balance that was higher than the year before and commended the auditors for their hard work. President Tryens asked Tracy if there are any recommendations for the board going forward in terms of cash flow influx. Tracy recommended putting excess money into reserves so that when there are lean times and the cash influx is unknown, there will be money available. Create a policy putting a certain percentage of money aside.

Treasurer Tehan moved to accept the audit. Vice President Keefer seconded. Motion carried unanimously.

- 4. Consider approval of meeting minutes- Rosemary Vasquez, Board Secretary
..... 5 min.

Board Secretary Vasquez stated that the minutes for February 25th, 2020, March 3rd, 2020, March 6th, 2020, and March 24th, 2020 have been reviewed and are fine as is to be submitted for approval. President Tryens stated that there are some grammatical errors he would like to discuss after the meeting adjourns noting that SPRD and the board needs to be consistent with the capitalization of "d" in district. Executive Director asked the board to provide feedback on the format of the minutes. President Tryens also noted that he prefers the PDF format.

Treasurer Tehan moved to adopt the minutes from February 25th, 2020, March 3rd, 2020, March 6th, 2020, and March 24th, 2020. Board Member Foott seconded. Motion carried unanimously.

- 5. Consider approval of Jan. & Feb. financials- Jennifer Holland, Executive Director
.....25 min.

Executive Director Holland presented two months of financials for review and acceptance, which have been reviewed by Treasurer Tehan during the Month End recap. Due to COVID-19 and the current situation, Executive Director Holland provided a surfaced overview, asking for Treasurer Tehan to go into more detail if she deems necessary. President Tryens proposed reviewing January and February financials simultaneously.

For both January and February, the district was seeing consistent registrations, business as usual. Based off of the adjusted revenue target for recreation from earlier in the year, there was not concern about hitting the recreation revenue target, however, they were below compared to where other departments are. Recreation has a huge month for April, May, and June which unfortunately, will not be seen for this year. Also, since the budget adjustment was not noticed correctly, these dollars presented are the original budget dollars.

For January and February SPRD is over the month budget for personnel. There is uncertainty as to how the month budget for personnel is established, which is causing a flux in numbers between months. It looks like admin is highly over for the month of February but when looking at where SPRD is at in the year, there is not much concern. Treasurer Tehan stated that this might be due to the original plan for the transition period for the Interim Business Manager, which has been executed differently than planned.



The recreation line item is over, there was a calculation error during the budget analysis for the full-time permanent recreation staff. Education is over, as predicted, as it was not budgeted for the third classroom. Events was over due to Night at the Orient Event in February. Overall, personnel is a little over the current budget. While personnel services are over in budget, it is under for materials and services.

Staff is currently in the process of refunding SALI, which will be seen in March and April financials. Also, refunds to the LAX committee are in progress. Credits were an option for patrons, but most requested a refund. This is also the situation for pre-school refunds. Financials will look different for March and April, depending on COVID-19, SPRD may see stabilization beginning of May as personnel costs decrease.

Treasurer Tehan noted that with the current situation, regarding cash flow and the dramatic change in staff, priorities include putting the budget together for the coming year and reviewing the cash flow. President Tryens asked how the opening balance for next year's budget will be developed. Executive Director Holland explained that the cash flow analysis that was presented to the board (yearend projection) will be used to make the assumption that SPRD will be in the same situation as now, utilizing a conservative approach during the budget process. President Tryens discussed the worse case scenario for rehiring staff and program registration, stating that the registration influx will be slower than staff expense output for June. Executive Director Holland provided a suggestion for the rehiring process, explaining that bringing staff back will happen slowly and when the registration numbers justify it, SPRD will be able to operate with full staff. Other states are projecting a slow return with a 20-25% decrease for budget purposes. SPRD needs to do its due diligence and not hire based on the assumption it will be fully operational anytime soon.

Secretary Vasquez moved to adopt the financial statements. Board Member Foott seconded. Motion carried unanimously.

- 6. Consider approval of resolution #2020-07 to rescind resolution #2020-05 authorizing a mid-year budget adjustment- Jennifer Holland, Executive Director.....25 min.

Executive Director Holland had previously presented a budget adjustment to the board. This was due to unanticipated revenue and expenses in relations to services provided as a district. After attending the Local Budget Law Training, it became clear that expenses were calculated incorrectly. Because of this, it created 10.1% increase in expenses. Due to the percentage increase being over 10%, it required the district to notice a public hearing to allow for public feedback on the budget. After scheduling the hearing for March 24th, COVID -19 happened, resulting in the cancellation of the hearing. The district reached out to The Department of Revenue for further guidance to approach this, considering the board approached a resolution to adjust the budget, and suggested that SPRD approves a resolution to ascend the original resolution.

Vice President Keefer moved to approve resolution #2020-07. Treasurer Tehan seconded. Motion carried unanimously.

- 7. Consider approval to transfer the Sisters Farmer's Market resources and liabilities to Seed to Table- Jennifer Holland, Executive Director.....25 min.



President Tryens chose to recuse himself from the vote but will contribute to the conversation as he is the Chair of Seed to Table. Treasurer Tehan also chose to recuse herself as her daughter is the executive director of Seed to Table.

Sisters Farmer’s Market has been a committee of SPRD for awhile now and has been going through some transitions where the market manager resigned at the end of the market season due to personal reasons. Executive Director Holland has been working with the assistant market manager to figure out a way forward, taking into consideration that SPRD does not have the capacity to manage the committee, nor does it align with SPRD’s strategic plan. Another avenue to approach was finding another agency to take on the Market. Seed to Table had been looking into taking this on, knowing that Rachel was going to eventually stand down. Executive Director discussed with Audrey, the executive director at Seed to Table, the amount of time that goes into the market, timeline, current liabilities, and assets, etc., which then, resulted in deciding that Seed to Table wants to take this on. SPRD is looking to transfer all assets and liabilities to Seed to Table.

Treasurer Tehan then reminded the board that Seed to Table is a 501C3 Organization. SPRD would only be able to transfer funds to a non-profit.

SPRD has paid the assistant market manager and is trying to finalize payment for Rachel, the market manager. This has been difficult as she has yet to produce the necessary paperwork for SPRD to do so. Once this is complete, three thousand dollars will be transferred to Seed to Table. This also includes the farmer’s market trailer, supplies, website domain and fees associated. Due to the committees being formed by budget approval, it is fitting to have board approval for the committee to be transferred. Executive Director Holland is seeking guidance and approval from the board to officially transfer the farmer’s market to Seed to Table.

President Tryens asked what other liabilities there are other than what is owed to the market manager. Executive Director Holland explained that the website domain fee is a liability but more so, most are resources. SPRD has been trying to pay the market manager for the last four months and has expressed to her that once Seed to Table is transferred, there is not a guarantee that she will be able to be paid out. SPRD wants Rachel to be paid out since she did the work, however, the paperwork is necessary to do so, so that there is not a finding on the audit next year.

The market manager is owed approximately one thousand dollars. Previously, this position has been paid as a contractor but was moved to be paid through payroll. Once the market manager turns in a completed I9, the district will be able to pay her out. The board proposed reserving Twelve hundred dollars, to account for associated payroll costs, as the district has a legal obligation to provide payments for services rendered. The money will stay at SPRD as the district has the liability to pay out the market manager.

Board Member Foott moved to approve transfer of Sisters Farmer’s Market resources and liabilities, minus twelve hundred dollars to account for SPRD overhead, to Seed to Table. Treasurer Tehan seconded. Motion carried unanimously. President Tryens and Treasurer Tehan did not vote.

8. Update on COVID-19 response Table- Jennifer Holland, Executive Director.....45 min.



Executive Director Holland provided the following update: Sisters School District has been instructed to cancel school for the rest of the school year, implementing distance learning. On the same day, the school district announced their cancellation, Sisters Rodeo also announced they will be cancelling the event for this summer. Today, Governor Brown is holding a press conference regarding re-opening Oregon, the decision to re-open states will be dependent on data rather than a date. The state will have a slow re-open to allow for assessment of how the virus is reacting. This will result in either more restrictions or a full re-opening.

During the last meeting, the board agreed on closing the district until April 28th, 2020, now with in-person instruction being cancelled at the school district, there are programs that have to be cancelled as we do not have access to resources that are in the parameter of the governor's guidelines. This would include the preschool program, after-school program, and the athletics program. SPRD is working very hard to still stay engaged with its patrons through social media (i.e. fitness classes through Zoom, Easter Egg Hunt, school activities, etc.) and providing fun on-the-go-bags with activities, including a note from the Executive Director.

Executive Director Holland asked for feedback from the board, given that school is cancelled for the rest of the school year, how SPRD should proceed. She proposed opening summer registration on May 4th, 2020 to get an idea of interest from the community for programs such as day camps, also allowing parents to secure a spot. The camps are programmed and ready to go and could be ran on a week-by-week basis. SPRD needs to be prepared to be able to run these camps as soon as possible.

Crest the Cascades permits are not being released by ODOT or the city and delaying the event is not an option due to the road closure/re-opening. Executive Director Holland is seeking feedback from the board on extending the 'closed to patrons date' to May 4th, 2020. The board can re-evaluate at the next board meeting with hopes that there will be more guidance from the governor.

Board Member Foott asked about the turnaround time needed to prepare to execute the summer camps. Executive Director Holland indicated that SPRD would need four weeks' notice. This would allow getting supplies, re-hiring and/or re-activating staff and getting them trained. For a fitness program, that would require a week. President Tryens noted that the biggest priority is kid's programs and inquired about providing camps that would be an extension of the school's distant learning. Executive Director Holland has been in contact with the principle at the elementary school to see what this would look like as kids need the engagement and socialization throughout the summer.

Executive Director Holland presented the two following policies, seeking approval from the board at the next board business meeting, allowing for feedback and adjustments. These policies have been reviewed with Spencer from SDAO. He suggested that these policies are reviewed on an annual basis.

- a. Draft Infectious Disease Policy: This policy covers the spread of infectious disease at the workplace and the practices for employees to follow when there is an infectious disease concern. This policy also addresses "social distancing" in the workplace, ensuring compliance. President Tryens brought up page two of the policy regarding the "see PTO policy in employee handbook" and suggested that it is more specified in the policy. He



also expressed concerned over the term “social” distancing when in reality it should be read as “physical distancing”. However, to keep it common and consistent the term should mirror what the World Health Organization and other agencies are using. This policy should be located within the employee handbook.

- b. Draft Telecommuting Policy: Due to the current circumstances, employees are working from home to protect not only themselves but the district. This policy spells out what this looks like for employees. This policy could be used after COVID-19 if deemed appropriate or it could sunset after COVID-19 passes. President Tryens described SPRD as a small district that may not need a telecommuting policy and the district should not encourage employees to apply for this option as their positions do not permit it. Executive Director Holland suggested that this policy could sunset after a certain date, that could be determined later if the board sees fit. Vice President Keefer voiced concerns with maintaining the security of the equipment used to telecommute and noted that a lot of SPRD does is building relationships, which can not be done by telecommuting. The executive director already has the authority to allow employees to work from home on a case-by-case basis, under certain conditions.

The board recommends that this not be a stand-alone policy but added as a paragraph in the employee handbook, also removing ‘consideration’ with ‘approval’. President Tryens recommended further discussion and for this policy to be re-addressed later. This would have to be done after it has been reviewed by the HR Committee.

9. Adjourn Meeting

President Tryens adjourned the meeting at 12:10pm.

Respectfully submitted,
Sarah Hyatt, Recording Secretary
Approved by the Board of Directors on April 28, 2020.