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AGENDA

Board of Directors
Mid-Willamette Valley Council of Governments
Wednesday, April 28, 2021
3:00 p.m.
Via Zoom

CONTACT: Scott Dadson, Executive Director, 503-540-1601
CHAIR: Councilor Sal Peralta, City of McMinnville
VICE CHAIR: Tribal Councilwoman Lisa Leno, Confederated Tribes of Grand Ronde

A. CALL TO ORDER – *Sal Peralta, Chair*

B. INTRODUCTIONS – *Sal Peralta, Chair*

C. ACTION ITEMS

- 1. Minutes of March 16, 2021 meeting of the Board of Directors** **pg. 2-6**
Requested Action: Approve minutes

- 2. Supplemental Budget for FY 2020-21** **pg. 7-9**
Requested Action: Motion to approve Resolution 2021-07, approving Supplemental Budget No. 1 amending, and appropriating funds in the fiscal year 2020-21 budget.

- 3. Approving Finance Software Transition Project** **pg. 10-12**
Requested Action: Motion to direct the Executive Director to engage in activities to procure new financial software, including seeking competitive price and function comparisons, make a selection of product, and bring final selection of the software to bring to the Board for approval to purchase.

D. ADJOURNMENT

The Mid-Willamette Valley Council of Governments is pleased to comply with the Americans with Disabilities Act (ADA). If you need special accommodations to attend this meeting, please contact Denise VanDyke at (503) 588-6177 at least 48 hours prior to the meeting. Hearing impaired, please call Oregon Telecommunications Relay Service, 7-1-1. Thank you

MINUTES OF MARCH 16, 2021

**MID-WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS**

VIA Zoom

MEMBERS PRESENT

CHAIR: Councilor Sal Peralta, City of McMinnville
VICE CHAIR: Lisa Leno, Tribal Council Member, Confederated Tribes of Grand Ronde
Commissioner Casey Kulla, Yamhill County
Mayor Brian Dalton, City of Dallas
Mayor Cathy Clark, City of Keizer
Councilor Roxanne Beltz, City of Monmouth
Mayor Jim Kingsbury, representing Small Cities of Marion County
Mayor John McArdle, Independence, representing Small Cities of Polk County
Lisa Rogers, Board Member, Chehalem Park and Recreation District
Ian Davidson, Salem-Keizer Transit District Board
Jackie Franke, Member, Chemeketa Community College Board of Education

MEMBERS ABSENT

Commissioner Danielle Bethell, Marion County
Commissioner Mike Ainsworth, Polk County
Mayor Rick Rogers, City of Newberg
Mayor Chuck Bennett, City of Salem
Mayor Eric Swenson, City of Woodburn
Terry Hsu, Director, Marion Soil & Water Conservation District
Sherrone Blasi, Member, Salem-Keizer School District Board of Directors
Frank W. Pender, Jr., Board Member, Willamette Education Service District (WESD)
Vacant, representing Small Cities of Yamhill County

OTHERS PRESENT

Scott Dadson, Executive Director
Renata Wakeley, Community Development Director
Amber Mathiesen, Finance Director
Mike Jaffe, Transportation Director
Denise VanDyke, Admin. Specialist II
Councilor Shelley Engle, City of Detroit
Jan Fritz, Marion County Chief Administrative Officer

CALL TO ORDER & INTRODUCTIONS

Vice Chair Leno called the meeting to order at 3:37 p.m. The presence of a quorum was noted. Attendance was noted. Guests were introduced, and Mayor Kingsbury was welcomed as the newest member of the Board

PUBLIC COMMENT

None.

CONSENT CALENDAR

MOTION by Ms. Franke, **SECONDED** by Mayor McArdle, **TO APPROVE THE MINUTES OF DECEMBER 15, 2020; JANUARY 8, 2021; AND JANUARY 14, 2021; AS PRESENTED.**

This motion was retracted in favor of the following motion.

MOTION by Mr. Davidson, **SECONDED** by Commissioner Kulla, **TO APPROVE THE CONSENT CALENDAR, AS PRESENTED.**

1. *MINUTES OF DECEMBER 15, 2020; JANUARY 8, 2021; AND JANUARY 14, 2021 MEETINGS OF THE BOARD OF DIRECTORS*
2. *APPOINTMENT OF 2021 BUDGET COMMITTEE*
3. *ADOPTION OF 2021-22 BUDGET SCHEDULE*
4. *RESOLUTION 2021-01 – ANNUAL SALEM/KEIZER AREA TRANSPORTATION PLANNING CONTRACTS*
5. *RESOLUTION 2021-02 – GIS SERVICES CONTRACTS*
6. *RESOLUTION 2021-03 – COMMUNITY DEVELOPMENT CONTRACTS*
7. *RESOLUTION 2021-04 – MEMBER SERVICES CONTRACTS*
8. *RESOLUTION 2021-05 – BANKING SERVICES*

Discussion: None.

Motion carried.

IN FAVOR: Kulla, Dalton, Clark, Beltz, Kingsbury, McArdle, L. Rogers, Davidson, Franke, Leno.

OPPOSED: None. **ABSTAINED:** None.

INFORMATIONAL ITEMS

Mr. Dadson and Ms. Mathiesen spoke regarding the financial report. In general, things are on track. The end balance will be higher than in the past mainly due to the CARES Act funds we have received. Spending is within boundaries. Ms. Mathiesen had technical difficulties in accessing her materials.

Ms. Wakeley reported for the Community Development Department, referring to the memo provided. Staff continue to work, following the lead of Marion County, to support the Santiam Canyon recovery, and a COG planner has been assigned to focus exclusively on the Santiam Canyon communities. Staff are working with various cities on grant administration projects, including Woodburn on their Family Resource Center project. The Housing Rehabilitation program will be wrapping up the Manufactured Home Park Grant program, which allowed assistance to be provided to 35 homeowners in seven communities. Another nine homeowners in five communities are being assisted through the standard Housing Rehabilitation Loan program.

Mr. Safstrom, the Small Business Loan Program Manager, was unable to attend the meeting due to family obligations. Mr. Dadson presented the Loan Program update, referring to the memo provided. A request to defederalize the Economic Development Administration (EDA) Revolving Loan Fund (RLF) Program will be discussed later in the meeting, but this is the result of an act of Congress that ends the burdensome reporting requirements and releases federal interest in the RLF monies. This will mean greater local control.

Mr. Jaffe gave the update for the Transportation Program. The Mid-Willamette Area Commission on Transportation (MWACT) re-elected Dallas City Councilor Ken Woods as Chair, and Keizer Mayor Cathy Clark was re-elected Vice Chair for 2021. Marion County Commissioner Bethell is the newest member of MWACT, replacing Commissioner Brentano. Yamhill County Commissioner Kulla has also joined MWACT as a relatively new member. He previously served as an alternate for Yamhill County.

Work of MWACT includes providing letters and testimony in support of a request to the Oregon Transportation Commission (OTC) for funds to combine and complete the first two phases of the I-5 at Donald/Aurora interchange. However, the ORC did not approve the extra funds for phase 2. Mr. Jaffe also discussed the ACT reset, explaining that how the ACTs and the OTC interact has changed over the last several years. The ACTs are being engaged to help with resetting the OTC/ACT relationship and to, hopefully, have more direct communications on a regular basis between all involved. The Salem Keizer Area Transportation Study (SKATS) has had staff working on several projects, including updating the Unified Planning Work Program, assisting with the Coronavirus Response and Relief Supplemental Appropriations Act, helping the City of Keizer prepare for their virtual Open House on the Wheatland Road Corridor Study, supporting the City of Salem’s “Our Salem” comprehensive plan update process and their Climate Action Plan Task Force, and assisting with the Keizer Growth Transportation Impacts Study. The Geographic Information Systems (GIS) department has been working on some exciting new apps for Yamhill County Public Works. These GIS-centric custom mobile applications help the grass clearing and herbicide sprayer crews avoid protected habitat areas in the county by providing location information in real time and alerting the crews to avoid sensitive areas. So far, we have heard good reviews, and they have renewed the contract. The GIS staff also have been busy creating an online web map application for the City of Sheridan. Users can search for properties using a variety of criteria and choose to see multiple layers of information, as well as being able to print maps and click on map features to see details. The application is one of many to be found on the MWVCOG ArcHub page. GIS staff also work with the Census Bureau and have been assisting with the Boundary and Annexation Survey (BAS) for 2021. Redistricting assistance is currently an increasing request, and our GIS staff also help our land use planners with land inventories for our members.

Commissioner Kulla gave staff kudos for the native wildlife app. Mr. Davidson agreed that is wonderful work.

Vice Chair Leno handed the meeting over to Chair Peralta.

RESOLUTION 2021-06 – APPROVE RATES

Mr. Dadson presented the request to set fee-for-service program rates for FY 2021-22. The staff report provided in the agenda packet provides details. In summary, for Member Services, there is no change recommended in the rates. Legal Services requests are picking up. The Strategic Planning and Goal Setting services are provided through a third party, and they have indicated that the rates reflect the contracted cost of their services.

Ms. Wakeley reported that for the Community Development program, if rates are not at a full cost recovery, increases of the CPI were made at a minimum. A market rate analysis was done this year for land use planning services, and slight increases were recommended across all services provided in Community Development. She is continuing to track the market rates for these services, and we are mostly below the average market rates. Mr. Jaffe stated that increases were recommended for the Transportation and GIS services. Modeling services are requested infrequently, but require skilled staff to perform. Mr. Dadson reported that the Loan program is trying to achieve full recovery with their loan fees, but when loans are not awarded, the fee-for-service rates are used.

MOTION by Commissioner Kulla, **SECONDED** by Ms. Franke, **TO APPROVE THE HOURLY RATES, AS PRESENTED.**

Discussion: None.

Motion carried.

IN FAVOR: Kulla, Dalton, Clark, Beltz, Kingsbury, McArdle, L. Rogers, Davidson, Franke, Leno, Peralta. **OPPOSED:** None. **ABSTAINED:** None.

ASSIGNMENT OF LEGISLATIVE SUBCOMMITTEE

Mr. Dadson stated that, at the last meeting of the Board, the Legislative Subcommittee was created. Staff are now requesting nominations and/or volunteers to serve on this subcommittee. It was suggested that this subcommittee could be able to provide direction on time sensitive issues. Discussion ensued, including the airing of concerns regarding the ability to keep the preference of various levels of representation straight, as the members would be representing their home jurisdiction, the COG Board, the Subcommittee, and possibly other concerns. It was noted, in the end, that it would be good to be able to have a rapid response to time sensitive issues, but this group may not be the correct one for that. This subcommittee would be used to gain input that will help focus and promote positions, and engage our members. The following Board members volunteered, and the subcommittee is open to additional members at a later time.

- Ian Davidson, Salem Area Mass Transit (Cherriots)
- Mayor John McArdle, City of Independence/Small Cities of Polk County
- Mayor Cathy Clark, City of Keizer
- Councilor Sal Peralta, City of McMinnville
- Commissioner Casey Kulla, Yamhill County

MOTION by Councilor Beltz, **SECONDED** by Jackie Franke, **TO APPOINT THE SLATE OF NOMINEES TO THE LEGISLATIVE SUBCOMMITTEE.**

Discussion: None.

Motion carried.

IN FAVOR: Kulla, Dalton, Clark, Beltz, Kingsbury, McArdle, L. Rogers, Davidson, Franke, Leno, Peralta. **OPPOSED:** None. **ABSTAINED:** None.

AUTHORIZE REQUEST TO DEFEDERALIZE EDA REVOLVING LOAN FUND PROGRAM

Mr. Dadson presented the request on behalf of Mr. Safstrom. This request is the result of the RLF Act 2020, an act of Congress that defederalizes Economic Development Administration (EDA) Revolving Loan Fund (RLF) programs that are more than seven years old. Staff will still need to adhere to administrative rules, but this ends the in-perpetuity reporting and allows more flexibility at the local level. The federal resolution is attached, and is a complex document. It only releases certain interest in the funds and scope. There are many RLF programs across the country that will be going through this process. By authorizing this today, we should be able to be among the first group through. The RLF Loan Board met on March 4th and approved a recommendation that the COG Board to authorize the Executive Director to sign the Agreement to release interest.

MOTION by Mayor McArdle, **SECONDED** by Commissioner Kulla, **TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE STANDARD RELEASE AGREEMENT TO DEFEDERALIZE THE EDA REVOLVING LOAN FUND PROGRAM.**

Discussion: None.

Motion carried.

IN FAVOR: Kulla, Dalton, Clark, Beltz, Kingsbury, McArdle, L. Rogers, Davidson, Franke, Leno, Peralta. **OPPOSED:** None. **ABSTAINED:** None

EXECUTIVE DIRECTOR'S REPORT

Mr. Dadson reported on the Virtual Annual Meeting, which occurred on March 10th. He found the experience very interesting as a new Executive Director coming in. There were 68 live participants and 21 views of the recorded event. As of this morning, 14 people had completed the after event survey. The results were emailed to the Board members prior to this meeting. Generally, it was noted that the pace and the information were good. Many thanks to the Confederated Tribes of Grand Ronde for sponsoring the event. Hopefully, we will be in person next time. Ms. Wakeley thanked Karen Odenthal and Denise VanDyke for their help with the event. Mr. Jaffe said that Ms. Odenthal did a great job as “event planner”. Ms. Franke said that it was a unique experience, but the survey responses show that it was a good quality presentation. Some felt they learned more with this format than they usually do with the standard format. Chair Peralta agreed with the previous comments, especially that Ms. Odenthal did a great job as event coordinator, producer, director, etc. This year, he will be selecting the venue and is open to suggestions, including venues outside of Yamhill County. Ms. Franke suggested Chemeketa Community College. Ms. Rogers suggested the Chehalem Cultural Center in Newberg.

BOARD DISCUSSION/ROUNDTABLE

Mayor Clark announced that pro baseball will be in Keizer this year at Volcanoes Stadium. There will be four teams in the local league. KeizerFest will be returning in August and will be outdoors. COVID numbers in Marion County continue to decrease. There was significant damage in the local parks from the ice storm. Fortunately, the Keizer community has stepped up to help clear things away.

Councilor Beltz asked for guidance on behalf of Monmouth regarding a bond measure to replace the Monmouth City Hall. What are the best ways to ask residents for financial support in the current world?

Mr. Davidson said that Cherriots has been hard hit by the pandemic. Currently, ridership is at about 50% of pre-COVID ridership. The silver lining is that they have been able to provide this essential service throughout the pandemic.

Councilor Engle stated, on behalf of the City of Detroit, thanks for all the support for Detroit from the COG since the September 8th fire, especially Renata Wakeley and staff. There will be a groundbreaking on Saturday for the new community center, both marinas plan to open this summer, and building applications are coming in. Rebuilding will happen.

ADJOURNMENT

Hearing no further business, Chair Peralta thanked everyone for attending and adjourned the meeting at 4:36 p.m.

Scott Dadson, Executive Director



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: April 28, 2021

THRU: Scott Dadson
Acting Executive Director

FROM: Amber Mathiesen
Finance Director

SUBJECT: Supplemental Budget 1

ISSUE

Should the Mid-Willamette Valley Council of Governments (COG) adopt a supplemental budget?

BACKGROUND

This resolution adjusts the 2020-21 Fiscal Year budget to provide compliance with Oregon Budget Law. The resolution adjusts the FY 2020-21 budget for unforeseen events including unanticipated costs or additional unanticipated revenue.

This is common practice and is done by most local governments at least annually, if not more often. Under Oregon Budget Law, there are three ways to change appropriations after the budget is adopted:

1. A transfer of appropriations which decreases an appropriation and increases another. This is the simplest budget change allowed under Oregon Budget law. This does not increase the overall budget. This is approved by a Board resolution.
2. A supplemental budget of less than 10 percent of total appropriations within an individual fund follows a process similar to the transfer of appropriations.
3. A supplemental budget in excess of 10 percent of total appropriations requires a longer process. This process includes a notice in the paper and a public hearing.

The third types of budget changes are necessary for fiscal year 2021-22 and have been duly advertised and noticed. Attached is resolution for Board approval.

In summary, the changes are:

Received grants that were not anticipated in the original budget.

RECOMMENDATION

Approve Resolution 2021-07, approving Supplemental Budget No.1 amending, and appropriating funds in the fiscal year 2020-21 budget.

Appropriations	Reason for Change	Budget	Increase	Decrease	Revised Budget
Materials and Services	Grants, see below	\$1,916,488	\$6,634,447	\$ -	\$8,550,935
	Total Appropriations	\$1,916,488	\$6,634,447	\$ -	\$8,550,935

Notes: Adjusting the budget to allow for the receipt and expenditure of the following Grants related to the CARES ACT Response and Recovery effort:

CARES Act (WorkForce)	\$ 350,000
CARES Act (WorkForce)	\$ 684,500
CARES Act (WorkForce)	\$1,125,000
CARES Act (WorkForce)	\$ 375,000
CARES Act (WorkForce)	\$ 350,000
CARES Act (WorkForce)	\$ 250,000
CARES Act (WorkForce)	\$ 82,969
CARES Act (Cultural)	\$ 842,978
CARES Act (Revolving Loan)	\$2,574,000
	\$6,634,447

BEFORE THE BOARD OF DIRECTORS
 FOR THE MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
 In the matter of making appropriations
 For Fiscal Year 2020-21

RESOLUTION 2021-07

WHEREAS, it is necessary for the Mid-Willamette Valley Council of Governments, hereinafter called MWVCOG to amend the Budget for fiscal year 2020-21.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Willamette Valley Council of Governments:

THAT the MWVCOG Board of Directors hereby adopts the amendment to the Budget for fiscal year 2020-21; and

THAT the following amounts are hereby appropriated for the purposes specified for the fiscal year 2020-21:

Appropriations	Reason for Change	Budget	Increase	Decrease	Revised Budget
Personal Services	No Change	\$ 2,530,443	\$ -	\$ -	\$ 2,530,443
Materials and Services	Grants, see below	\$ 1,916,488	\$ 6,634,447	\$ -	\$ 8,550,935
Grants and Loans to Others	No Change	\$ 455,000	\$ -	\$ -	\$ 455,000
Capital Outlay	No Change	\$ 19,800	\$ -	\$ -	\$ 19,800
Reserves - Designated	No Change	\$ 1,814,650	\$ -	\$ -	\$ 1,814,650
Reserves - UnDesignated	No Change	\$ 246,985	\$ -	\$ -	\$ 246,985
Total Appropriations		\$ 6,983,366	\$ 6,634,447	\$ -	\$ 13,617,813

THAT the Executive Director is authorized to execute said Budget and shall file a true copy of the Budget with the Oregon Department of Revenue.

ADOPTED by the Board of Directors of the Mid-Willamette Valley Council of Governments at Salem, Oregon this 28th day of April, 2021.

ATTEST

 Sal Peralta, Chair
 MWVCOG Board of Directors

 Scott Dadson Executive Director



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: APRIL 28, 2021

THRU: Scott Dadson
Executive Director

FROM: Amber Mathiesen
Finance Director

SUBJECT: Approving Finance Software Transition Project

ISSUE

Should the Mid-Willamette Valley Council of Governments (COG) procure new financial software?

BACKGROUND

The COG uses a software called GMS as the financial management software for the organization. The software was originally implemented in the year 2000. The use of the technology focused on project and grant management. The business processes developed around the computer system rely heavily on paper files, Excel spreadsheets and manual transactions to make up for the systems current lack of basic Governmental Financial Accounting set ups which lacks a common governmental activity orientation. With the transition in staff and the lack of succession built into the software Finance staff spends 75% of their time, manually recreating financial data for the organization resulting in a limited amount of time available to validate and verify manually created data or to create segregation of duties.

The current financial system is highly dependent upon humans to work properly and therefore make the system vulnerable if an employee leaves permanently or temporally. Retirements, extended absences due to medical reasons, and the possibility that this could happen during COVID 19 with a system organized around undocumented “workarounds” leaves us vulnerable. The current system is not organized, nor can it be organized to be standardized with other financial systems used in Governmental Accounting with things such as charts of accounts, retrieval of basic financial statements and reports and the inability to be tied to the budget (which is done with another system, not the financial system).

The organization of the financial data in GMS is nonstandard, complex and very difficult to understand. It is almost impossible to go directly to GMS and find accurate, comprehensive financial information about MWVCOG. Each time an analysis is undertaken to understand how a particular process works it literally takes at least an hour, sometimes more to understand what is occurring. Many times, the analysis ends with the discovery that the key to the process is something that someone knows, not something that is documented. It is therefore necessary to upgrade the system and software and transition to a more robust and yet governmental accounting standardized accounting system.

RECOMMENDATION

Direct the Executive Director to engage in activities to procure new financial software, including seeking competitive price and function comparisons, make a selection of product, and bring final selection of the software to bring to the Board for approval to purchase.

DISCUSSION

The GFOA (Government Finance Officers Association) urges individual state and local governments to fulfill their financial reporting responsibilities by:

1. Maintaining an accounting system adequate to provide all of the data needed to allow for the timely preparation of financial statements for the entire financial reporting entity in conformity with GAAP;
2. Issuing timely financial statements for the entire financial reporting entity in conformity with GAAP as a part of a comprehensive financial audit report; and
3. Having those financial statements independently audited with GASS (Generally Accepted Auditing Standards) or GAS (Government Accounting Standards) as appropriate.

The proposed project is more than purchase and implantation of new software. Goals for the project are:

- Replace GMS – current software
- Standardize COG chart of accounts. – Current application of the chart of accounts does not meet Generally Accepted Accounting Principles (GAAP) or GFOA best practices.
- Standardize and document business processes.
- Provide information transparency
- Provide for seamless Finance staff succession
- Provide all financial information directly out of financial system
- Contract with a 3rd party payroll company to process payroll.
- Shift Finance reliance on paper files to electronic files.
- Be responsive to the comments in the FY 2019-2020 fiscal audit

Staff believes that doing this project will; reduce time required to maintain financial information; improve financial reporting delivery times, improve cash management, improve accuracy of financial information.

Staff explored the possibility of making improvements to GMS. To make necessary improvements, staff would need to start from scratch and reimplement GMS. The technology is old, and staff determined it is a better use of COG staff time and money to purchase a new system utilizing new technology.

The transition from GMS to the new software is planned to take place at the change of fiscal year. Financial accounting will be maintained GMS through June 30, 2020 and continued through the implementation of the new software. Data entry for the FY 20-21 fiscal year will be entered to the new system, allowing the information in GMS to be available for the current year's audit review. Audited carry over balances will then be entered to the new system to ensure the integrity of the beginning balances and continuity of reporting.

A project plan has been developed and business process improvements have begun. Those improvements will benefit COG regardless of the purchase of new software.

Staff is preparing a Request for Information to send to software providers to determine what software will best serve the COG needs. Based on a survey of like organizations the cost of financial software is varied greatly based on the functions of the software, modules needed, and size of the organization. In our survey the costs of software ranged from an approximate annual price from \$6,000 to \$75,000. COG's

needs will likely fall near the middle of that range but an exact cost will not be known until the Request for Information responses are received and evaluated.

A recent temporary staff leave of absence created the need to engage a consultant to assist with maintaining operations. This absence highlighted the need to document business processes and procedures for ease of succession. Staff has retained this consultant to assist with documenting business processes, document reporting needs. GFOA recommends that every government should document its accounting policies and procedures. This documentation should be readily available to all employees who need it. Documentation will also delineate authority and responsibilities, especially the authority to authorize transactions. This documentation of policies, procedure and authorizations provides internal controls for protection of the assets and records of the organization. The business process work began April 4th and at this time the project is anticipated to be completed by July 2021, the transition to the new software will be integrated to provide documentation of processes within the new system. Cost for the consultant is estimated at \$65,000.