**MINUTES OF APRIL 28, 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

Commissioner Danielle Bethell, Marion County

Commissioner Mike Ainsworth, Polk County

Mayor Cathy Clark, City of Keizer

Mayor Rick Rogers, City of Newberg

Mayor Chuck Bennett, City of Salem

Mayor Eric Swenson, City of Woodburn

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**

Mayor Brian Dalton, City of Dallas

Terry Hsu, Director, Marion Soil & Water Conservation District

Councilor Roxanne Beltz, City of Monmouth

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

John Safstrom, Loan Program Manager

**CALL TO ORDER & INTRODUCTIONS**

Chair Peralta called the meeting to order at 3:01 p.m. The presence of a quorum was noted. Introductions were made “around the room” for the benefit of recently added members.

**PUBLIC COMMENT**

None.

**MINUTES OF MARCH 16, 2021**

Mayor Rogers noted that he was in attendance by phone and requested that the minutes be amended to reflect this.

**MOTION** by Mayor Clark, **SECONDED** by Mayor Rogers, **TO APPROVE THE MINUTES OF MARCH 16, 2021, AS AMENDED.**

Discussion: None.

Motion carried**.**

**IN FAVOR:** Clark, R. Rogers, Bethell, Ainsworth, Kulla, Peralta, Bennett, Swenson, Kingsbury, L. Rogers, Franke, Davidson. **OPPOSED:** None. **ABSTAINED:** None.

**RESOLUTION 2021-07 – SUPPLEMENTAL BUDGET FOR FY 2020-21**

Mr. Dadson stated that the Board needs to recognize receivables related to COVID-19 Recovery programs that were received and distributed, but not included in the 2020-21 Budget. Ms. Mathiesen went over the supplemental budget (provided in the agenda packet) in detail. It is required that we do a supplemental budget if there is an excess of more than ten percent of appropriations. This year we had 29 percent over the adopted appropriations. We are recognizing activity that has already happened. Mr. Dadson added that as opportunities became available, staff took advantage of them to the benefit of our region.

**MOTION** by Commissioner Kulla, **SECONDED** by Ms. Franke, **TO APPROVE RESOLUTION 2021-07 – SUPPLEMENTAL BUDGET FOR FY 2020-21, AS PRESENTED.**

Discussion: None.

Motion carried**.**

**IN FAVOR:** Clark, R. Rogers, Bethell, Ainsworth, Kulla, Peralta, Bennett, Swenson, Kingsbury, L. Rogers, Franke, Davidson. **OPPOSED:** None. **ABSTAINED:** None.

**FINANCIAL SOFTWARE UPGRADE**

Mr. Dadson provided some background regarding the proposed change in financial software. The current software, GMS, has been in use by the COG since 2000. This software was intended to focus on project and grant management, and business processes have been developed around the computer system that rely heavily on paper files, Excel spreadsheets, and manual transactions. These processes make up for the lack of basic Governmental Financial Accounting set ups in GMS. Finance staff spend 75 percent of their time manually recreating financial data, resulting in a limited amount of time available for validation of the manually created data or any other duties. Many of these workarounds are partially or completely undocumented, which leaves the organization vulnerable if an employee leaves permanently or temporarily. The workarounds also make the organization of data in GMS nonstandard, complex, and very difficult to understand or access in an understandable format. It is necessary to upgrade the system and software, and transition to a more robust and standardized governmental accounting system.

Staff would like to proceed with issuing a Request for Information (RFI) to gather information and request bids for an updated financial software system. We would plan to close out the fiscal year on June 30th with the GMS software for continuity reasons, then proceed with the software transition. The current system operation costs include $7,000 for software YOY and $202,453 for personnel (1.75 FTE). The estimated annual cost of new software is based on a survey of other similar organizations and local governments in our state and region, and ranges from $6,000 to $75,000. We should be able to narrow this range during the bid process. Estimated project transition costs – personnel time to perform the transition tasks, which may be COG personnel or may be included in the winning bid – are $75,700. 2020 proved to be a year of issues that have illustrated, if not created, a need for a more resilient approach to financial management. Issues included the disruptions of COVID-19 on our normal business practices, personnel turnover without a guidebook or personnel policy and procedure manual, and a non-standardized accounting software designed for project management and not necessarily for governmental fund accounting. We have used the Governmental Finance Officers Association (GFOA) as guidance for the work to date (See <https://www.gfoa.org/buyers-guide-software>), specifically the guidelines for an Enterprise Resource Planning (ERP) System. An ERP system would provide “integrated functionality to manage an organization’s financial administration functions. Supported business processes would include accounting, project accounting, procurement, parables, asset management, treasure, receivables, and more. Many ERP systems also contain integrated nodules for human resources, payroll, and other administrative functions.” It should be noted that the GFOA recommends adoption of policies and procedures and the use of accounting systems that “… institutionalize good financial management practices.” This would promote stability and continuity and present the need to repeatedly reinvent responses to recurring issues.

The main strategies are as follow: financial software upgrades, expanding capacity in financial personnel, standardized Governmental Chart of Accounts, increased training, succession planning, formalized financial policies, and expanding our governmental business offerings. Over the past year, it was found that a staffing level of 2.5 FTE was needed, rather than the current 1.75 FTE. With additional personnel time, productivity and functionality will increase. It was noted that the full FTE for the COG is approximately 22 FTE.

There was discussion of the evaluation committee to vet the responses to the RFI. General agreement was that there should be one committee that should include, or at least seek input from, external people/organizations that have recently undergone a similar process. Mayor Clark offered the Keizer Finance Officer Tim Wood as a contact. Some Board members cautioned that the process will be bumpy. Mr. Dadson explained that no additional funds are requested at this time, as staff will not know the costs until the final bids are under consideration. The current numbers are estimates only. Staff plan to go out for bid and do the evaluation process, then come back to the Board once a request with solid numbers can be made. The Board expressed their confidence in Mr. Dadson to pull together an evaluation committee.

The fiscal year ends June 30th, and a timetable is requested in the RFI. Staff want this to happen as quickly as possible while being done well.

**MOTION** by Mayor McArdle, **SECONDED** by Jackie Franke, **TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENAGE IN ACTIVITIES TO PROCURE NEW FINANCIAL SOFTWARE, INCLUDING SEEKING COMPETITVE PRICE AND FUNCTION COMPARISONS, MAKE A SELECTION OF PRODUCT WITH THE ASSISTANCE OF AN EVALUATION GROUP THAT SHALL INCLUDE AT LEAST ONE BOARD MEMBER, AND BRING FINAL SELECTION OF THE SOFTWARE TO THE bOARD FOR APPROVAL TO PURCHASE.**

Discussion: None.

Motion carried**.**

**IN FAVOR:** Clark, R. Rogers, Bethell, Ainsworth, Kulla, Peralta, Bennett, Swenson, Kingsbury, L. Rogers, Franke, Davidson, McArdle, Leno. **OPPOSED:** None. **ABSTAINED:** None.

**BOARD DISCUSSION/ROUNDTABLE**

Commissioner Bethell announced that Salem Health has many appointments for COVID vaccines available. This week they have only been filling about 1/3 of the available appointments. Please encourage everyone to go in and get vaccinated. We are trying to find ways to reduce the barriers to receiving the vaccine. Churches are currently the main source of infections, so be extra careful. The Governor is looking at the situation weekly, so we hope to be able to leave the Extreme Risk category sooner than later. Zip codes 97301, 97303, and 97305 have the highest infection rates at the moment. Ms. Franke volunteered Chemeketa Community College to help share this information and possibly be a vaccination site.

Ms. Franke reported that she has been contacted by three elementary schools about water. Drinking fountains are turned off in all schools, and older students appear to be bringing their own bottled water or refillable water bottles. Younger students, however, are in need. Ms. Franke is working to obtain bottled water and water bottles for four elementary schools. Mr. Davidson volunteered to arrange for a donation of Cherriots water bottles.

**ADJOURNMENT**

Hearing no further business, Chair Peralta thanked everyone for attending and adjourned the meeting at 3L35 p.m.

 Scott Dadson, Executive Director