

MINUTES

1. Call to Order: Neal Lucht called the meeting to order at 7:02 pm.

1.1 Roll Call:

Board of Directors (BOD):

Neal Lucht, Board President Chair (NL)
Paula Beck, Board Vice-President Chair (PB)
Claire Ferlan, Board Treasurer (CF)
Teresa Steinbock, Board Member (TS)

Staff:

Melissa Georgesen, Aquatic Director (MG)
Jenniffer Swink, Recording Secretary (JS)

Absent:

Marilyn Bloch, Board Secretary (MB)

2. Consent Agenda - Agenda Action Items:

2.1 TS moved to approve the November 27, 2018 Provisional Minutes. CF seconded. Motion carried.

3. Public Comments:

3.1 There were none.

3.2 Jessica Crannell-Menard, Business Development from NOW CFO. NOW CFO is an outsourced accounting support bookkeeping service. NOW CFO has 30 employees. They bill per hour as needed and has much experience with non-profit accounting, budgets, bank reconciliations, price analysis, and paying invoices. They have worked for the City of Hubbard, City of Gaston, and the City of Molalla. Jessica had spoke with NL, MG and CF prior to the Board meeting about helping with the bookkeeping. Jessica went over the proposal: bookkeeping, keeping the Quickbooks Desktop onsite, schedule bookkeeper to come onsite, same representative every time, hourly per month about 16 hours at \$65 per hour (which could taper down, but could go up when MAC grows), more hours expected at the year-end in June and more hours if MAD chooses to perform an audit. Projected cost is \$1,040 per month. NL inquired about changes or improvements to MAD's job description. Jessica read over the job description and said it is very well laid out. Jessica said their big emphasis is on internal control. She continued stating the accounts payable, accounts receivable and cash policies look good. She agreed with having more than one person looking, mailing and signing checks. The BOD shared that Liz Cruthers, then MRSD director and in Portland Police fraud department, helped with the original documents for the bookkeeping procedures. NL reiterated that MAD needs to keep the checks separated from signers and secure at physical location. MAC needs a locked cabinet. Jessica recommended a safe or drop box bolted to the ground. MG said MAC has a safe. NOW CFO is insured and not concerned about foul play. They will keep a key. If relationship ends, NOW CFO will return everything and will destroy documents. Currently MG gets invoices and makes copies. NOW CFO can completely take over or split the duties, whatever is practical. Jessica suggested splitting the duties. CF recommended having more than one key to the locked up checkbook; giving a key to a Board member without signing privileges. MAD's year end is June 30th. The audit will be in the fall about 60-90 days after year-end closing. The audit will look at every monthly bank statement, balance sheet, cash flow, profit and loss and year-end closing. The auditor

will ask questions and test data to see if it reconciles with the data and will run interim financials. Spring is the time for creating MAD's budget. NOW CFO has all levels of staffing: CFO, Controller, Director of Finance, Staffers and Bookkeepers. Other services they provide are: debit, strategy, price analysis, cash flow reporting, grant reporting, and analysis on separate programming. Twenty-five percent of their clients are non-profits. PB asked Jessica if NOW CFO would be going back to MAD's beginning. MG, NL and CF along with Jessica said no they would be moving forward. Jessica said they may go back to check correct starting balance, but there is no need to reformat everything because they are using the same software system. PB also inquired how Max Galaxy will work with this system. MG explained Max Galaxy has a higher level of details on money coming in the door than Square. She can download an excel or csv file if Max doesn't speak directly with Quickbooks (QB). NL ask Jessica for the process to engage. Jessica said MAD will receive an eight page engagement letter including: 1. Confidentially clause; 2. No filing taxes, no signed returns; 3. Non-solicitation; 4. Rate schedule; 5. Form of payment, if with credit card there is no 3% fee or they could accept ACH or check.

To get started they will come in with the person from their team to do a soft interview with MAC. They will setup:

1. Access to QB
2. Viewer access to bank and credit card accounts
3. Develop a schedule
4. Person is ready to start the work using MAC's computer with QB desktop

NL moved to engage NOW CFO to provide bookkeeping services beginning in January 2019. PB seconded. MB told NL over the phone her vote is yes. Motion carried unanimously.

NL conferred with MG about MAD's budget not being at a high enough rate for this level of service. MG said since MAD waited half a year the expense should be close to the budget line which is \$16,000 bookkeeping and payroll. MAC is in the process of going paperless with Paychex which will be rolling over in January 2019 so the fees for payroll will be reduced.

The engagement discussion with NOW CFO will be left with the financial committee.

4. New Business:

4.1 Purchase bleachers: TS explained the need for room for more people. Her recommendation is two sets of five tiers. MAC can purchase one set now and the second set in a few months. MAC can move the current three tier where needed. TS got quotes for a set of two five tier 21' for \$14,000 and 15' for \$12,000. NL recommended to the BOD to split the order in two different fiscal years. MG agreed. PB asked if it was necessary to split the order? MG said there is money in the budget. MAD has budgeted \$11,000 every month for projects. CF believes it is better for the money to buy the 21' bleachers. MG asked the BOD to also consider the Works in Progress report she handed out at the meeting before voting on the bleachers. MAD has received higher revenue on taxes and MAC has been a good steward this last fiscal year. Bleachers are not a part of the works in progress. An item listed on the Works in Progress report is the surge pit tank that is leaking. We will need to remove a section and re-case with pavement. The pool will need to close about a week for the repairs. MG is looking at closing over the long Memorial Day weekend for repairs. TS asked if it's ok to wait that long for the repair? MG believes it will be ok to wait and explained it was not leaking when the pool first opened but is getting worse every week. MG also suggested the BOD look at other works in progress to complete when the pool is closed. She pointed out painting, which would take about 3 days. NL asked if one 21' bleacher now would be a significant improvement? TS said the freight will be less for one bleacher. MG said yes one bleacher is important to the swim meets which add revenue for MAC. OCST

generated a couple \$1,000 just for rental fees, which will help replenish the funds. The high school swim meet last week was full. Looking forward February 2020 the high school regionals will be held at MAC and OCST S has two day meets twice a year. PB asked NL's perspective. NL said we've been spending on repairs regularly and capital improvements. He recommends buying one bleacher now; then the next fiscal budget year, which starts July 2019 buy, the second bleacher. MG agreed to go conservative with one bleacher for now. NL would like the cost per seat, how many more people will the proposed bleacher allow, will the bleacher match the existing? TS said the five tier bleacher may not line up with the three tier. It will be placed at the end and will not be moved around like the three tier bleachers can. NL said having the public using the facility is wonderful. TS needs to call and get a final quote for one bleacher. She figures about \$7,300. There is no need for a special hearing for funds since under the 10% of the \$133,000 contingency fund. TS moved to pull funds for finalized quote on five tier 21' bleacher from contingency fund. CF seconded. NL amended motion to include not to exceed \$9,000 including freight. NL called for a hand vote. All four BOD in attendance voted in favor. Motion carried.

5. Old Business:

5.1 School District Swim Lessons: Two schools confirmed swim lessons: Clarkes has one 2nd grade class and Rural Dell has two 3rd grade classes. The lessons will be held late February, early March and April. There will be an average of 30 kids per class. The cost is \$3 per child per day with ten classes a total of \$30 per child. Canby charges \$100 per hour. MAC will have four to five instructors for the group lesson which means there will be more students per instructor. This is not a community lesson. MG will work with teachers on time of year and day. She emailed all the teachers and only received responses from two teachers. NL asked MG if she has room for more or if this works for this year? MG said this year works, but she wants to grow. She wants the kids in our community to use the pool. PB asked if the fall is available for lessons and asked MG to bring the cost as close as possible. CF thinks the cost is ok.

6. Committee Reports and Updates

6.1 Financial Report: CF read over her report. CF transferred \$30,000 in the month of December. MAD received two tax distributions this month. She handed out copies of the bank statements with the balances at the Board Meeting:

Columbia State Bank:

Cash in Bank	\$ 35,440.38
Less Outstanding Checks	<u>\$ 9,642.31</u>
Available Balance	\$ 25,798.07

LGIP:

12-03-18	Tax Distribution	\$66,137.64
12-10-18	Tax Distribution	\$42,235.00
12-13-18	Redemption for operating expenses	(\$30,000.00)
12-18-18	Ending Current Balance	\$653,095.31

6.2 Operations-Management Report: MG updated the Resources General Funds report and handed it out at the Board Meeting. She explained the cash deposit is what we take in from the bank receipts: Square is our cash register and WW is for Weight Watchers. The red row shows what CF has transferred from LGIP. Under Requirements for Administration July shows we were over budget by \$4,500 and in November we were over budget by \$1,121. In both instances we didn't transfer enough funds from

LGIP. MG hand entered all the data; however, with the new service will be able to create these reports. NL asked if materials and services had enough funds approved in the budget? NL moved to have MG purchase the QB desktop version. PB seconded. Motion carried.

NL thanked MG for her report. MG shared she would like a second computer for the front desk to setup as a second work station. CFO NOW will be scheduled to come in when the pool is closed.

Clackamas County Shower Voucher: MAC received a \$2,000 grant which will fund 667 showers. MG had requested \$8,000. Julie Harris and MG will be doing the reporting that is required for the grant. The grant is for the homeless, families in need and those with medical needs. There will be a specific time of the day to avoid busy times. Julie Harris and MG will be managing the program. NL said the City Council at the last two meetings highlighted the shower program and discussed promoting the program with bulletins and putting something in their customer's bills for donations.

MAC received the SDIS grant for \$5,000. It is a matching grant. From the grant additional security cameras were installed today on the patio, in the entry way and parking lot.

Oregon Energy Trust (OET) is pushing through the paperwork for electrical work. The rebate varies. MG received a price of \$15,000 for the local electrician to fix all the lights in the pool and updating to LED bulbs including the light bar. OET has to approve the work first. No special vote is need because these funds are already in the budget and have been approved. MG will ask the Board for approval.

6.3 Board Tasks: The Board reviewed and updated the Board Tasks.

7. Upcoming meetings

7.1 Next month's dates for the Molalla Aquatic District Board Meeting are January 8, 2019 and January 22, 2019 at 7:00 pm. The January 8th meeting is a work session for strategic planning. The Board will refine shorter goals. The January 22nd meeting is the regular business meeting.

8. For the good of the District - none

9. **Adjournment** - PB moved to adjourn the Board Meeting at 8:22 pm. CF seconded. Motion carried.

RESPECTFULLY SUBMITTED:



Jennifer Swink
Recording Secretary



Neal Lucht
Board Chair