



April 2018 BOARD MEETING
Marcus Whitman Hotel, Walla Walla, WA
April 26 - 27, 2018

Present: Jana Brown, Brad Posenjak, Dale Hough, Jack Broyles, Dan Legard, Carrie Lewellen, Forrest Smith, Sadie Armijo, Beth Wright, Mickie Cooper, Stacie Tellers, Kelly Collins, Craig Warner, Wendy Kancianich

Absent: Dan Spiegel, Toni Nelson

PRESIDENT

Jana Brown

Calendar Update – Jana reviewed the annual calendar. It was noted that the California and Oregon State conferences had floating dates. Other notable items were discussed, and some corrections made to deadlines.

Honorary Membership - Jana has received two letters: Dean Walz and Marilou Moore. Kelly Collins will write a letter of nomination for Chuck Pfiel. Jana informed the board that Susan Musselman is retiring in June and suggested that Susan be nominated. Discussion of Marcie Klobucher’s service as well. Kelly Collins will write a letter for Marcie. Jack will write a letter for Susan Musselman

California Conference Update – 1300+ attendees. The crowd was too large for the conference center. Food was an issue. Lines were exceedingly long, and many didn’t get food. Lesson: WFOA is not alone in challenges. California tried something new and it didn’t work. Pick up and move on. ☺

California Webinars – Stacie and a group of her staff attended. They liked the format but found the content lacking. California Society of Municipal Finance Officers has large numbers of Webinar registrants because their membership fee includes webinar registration. There is an extra charge if CPE is needed. Adé suggested seeing if CSMFO would be willing to revenue share. Beth was tasked with reaching out to California to identify ways WFOA can leverage their webinars.

Oregon Conference - 350 attendees at Sun River. Many Oregon classes are taught by their membership.

WPTA – One of their largest conferences. Nearly 200 attendees. Jana indicated the conference is very intimate. More round table and networking opportunities exist because of the smaller size.

WFOA Website Update – A reminder to keep documents updated online. Last few days many updates have occurred. Jana thanked the board for the updates. Jana has requested to Dan Spiegel that the scholarship landing place be changed to discuss the who, what, when, how of obtaining a scholarship. Jana specifically mentioned that there needs to be differentiation between education scholarships for WFOA events and intern Scholarships to assist entities in hiring interns. Some basic design changes were discussed including moving interns to home page menus.

GFOA CAFR Award – City of Sammamish June 12 is when the award will be presented. Jack will attend the council meeting and present the award.

GFOA St Louis – Piper Jaffray NW Breakfast, Lindsay has left PJ. Mike Bailey has assisted with this breakfast for years. We need to work with Mike to determine how we will determine who to email the invitations to. Adé will reach out to GFOA to get a list of Washington State attendees. Adé offered Barbra Marlo as possible contact at GFOA to get list of WA state attendees.

Contact List – Disbursed and changes made if needed. Jack will forward the updated list to the board.

GFOA of BC - Invited Jana to attend but she is tapped out on availability. It's May 30 – June 1. Brad will see if he is able to attend. Jana will also inquire of Craig Warner.

PRESIDENT ELECT

Craig Warner

Nominating Committee – Sandi Roberts is being recommended for the 2020 Local Conference Chair by the committee. Adé moved and Dale seconded. Passed unanimously.

Quarterly Board Meetings

- Jan 23-25 Suncadia in Cle Elum – Business meeting would start promptly at noon, on Wednesday, January 23. The Board retreat would be all day Thursday, and Friday would be a longer day to finish the business meeting, possibly until 2 PM.
- April 17-19 Suquamish Lodge, Poulsbo, WA
- July 17-19 Ocean Shores Quinault Beach Resort

Regional Associations – Craig has not done a lot of work on this this year, but he will be making time to continue the outreach that began a couple of years ago.

VICE PRESIDENT

Brad Posenjak

Board Meeting Arrangements – Brad discussed logistics of the meeting.

Discussion of July Meeting – At Semiahmoo. This is the meeting that children, grand kids, etc. are invited to attend.

TREASURER

Dale Hough

2018 Financial Report – Dale provided a discussion of the Organization's financial status. Mickie requested the speaker fee be moved to education committee expense. **Brad moved to accept the financial statements with Mickie's changes, Stacie Seconded. Passed unanimously**

Cash Flow Discussion – Dale distributed several handouts showing that the financial condition of the organization begins to decline as conference expenses increase due to the use of a conference planner coupled with the increased costs of catering.

The Board reviewed what other states are charging for memberships and training. WFOA fees are substantially under the average in each category.

The Board was provided a list of possible solutions to increase fund balance by raising revenues and reducing some expenses.

Dale distributed a budgeted cash flows using the changes he identified to revenues and expenses. Fund balance continues to decline but at a much slower rate. Suggested change to financial policy would be to reduce the requirement of having an amount equal to one year conference expenses in fund balance to having one-half of one year's annual conference expenses. No changes were suggested to the requirement of maintaining two month's operations costs.

A discussion of how to proceed occurred. Adé mentioned that he believes the awarding of the contract to Conference Solutions and the related increase in membership fee may not go over well with past presidents. Adé expressed concern about the organization possibly pricing itself out of the market.

Jana discussed the possibility of not needing local conference chairs in the future as CS takes over more and more of the conference planning duties.

Dale discussed possibly examining sponsor revenue and vendor fees. Also charging more for "premium" vendor locations.

Jana noted that Carrie also had some issues to discuss related to revenue for the 2018 conference.

Brad suggested that we consider modifying the reserve policy to reflect the upcoming decline in fund balance. The proposed policy would incorporate the changes suggested by Dale.

Jack will bring a proposed policy change to the July Board meeting for adoption.

Sadie suggested that the Board decide sooner rather than later and communicate, in writing, to members, ASAP. This will allow entities to budget for it and there is greater acceptance of the change.

Jana discussed making the differences between member conference pricing and nonmember conference pricing much larger. Discussion of the value of membership occurred. People are asking Jana what they get for membership.

Discussion occurred of raising the annual fee to \$75 per year. In order to justify this increase, we need to do a much better job of communicating the benefits of membership. Discussion occurred on raising it to \$100. Dan Legard suggested a staggered approach with \$75 in 2019 and \$100 two years after that.

Forrest moved to raise the membership fee to \$75 starting in 2019 and to \$100 starting in 2021. Beth seconded motion. Passed unanimously.

Jana requested that each Board Member send her an email that explains how WFOA membership has benefitted them.

SECRETARY

Jack Broyles

Jack Presented the September 15, 2017 Board Meeting Minutes.

Dale moved, and Dan seconded, to accept the January Board Meeting Minutes as presented. Motion carried unanimously.

WFOA Policy Manual Update – The Board held a brief discussion of mileage reimbursement for Board members. The current IRS "charity" mileage rate of \$0.14/mile does not cover the cost of fuel for most Board members. There was disagreement among board members regarding the charity vs. "regular" IRS mileage rates with some board members believing that any amount paid to a member over the charity rate would be a taxable event to that member. The discussion was tabled, and no policy change was requested. WFOA will continue to reimburse board members for mileage at the charity rate.

PAST PRESIDENT

Adé Ariwoola

Past President's Lunch – Adé suggested the lunch be held on July 20, one week before the return from Semiahmoo. Adé also suggested the luncheon be held in Federal Way at the City's retreat center. Snoqualmie/Salish Lodge was also suggested. The Board had no preference on location so Adé will schedule the luncheon in Federal Way. Brad suggested possibly moving the meeting to July 13 in order to not be out of the office two consecutive Fridays. Discussion ensued, and it was decided to leave the meeting on the 20th. Adé gave an explanation of what the luncheon is, who attends, etc.

2017 CONFERENCE UPDATE

Dan Legard

Sponsorship got off to a strong start in March and early April but has slowed since. To date, \$53,750 in sponsorship income has been made. Dan expects in the next couple of weeks we will meet our \$70,000 budget.

Booth sales have been somewhat slower. Conference Solutions sent out a mass email to vendor lists to solicit booth sales. Jana clarified that currently only "premium" vendors are allowed to choose booth locations. Non-sponsor vendor booths are assigned at random. Premium vendors are those that also sponsor the conference.

2018 CONFERENCE UPDATE

Carrie Lewellen

Carrie gave an update on the 2018 conference which included:

- Carrie showed a weekly Conference Solutions report which shows list of sponsors and vendors, who's paid, list of hotels and registrations, and related data. Hotel reservation numbers are beyond the set-aside blocks at all conference hotels.
- Carrie presented a budget to actual comparison. Currently based on budget for major events, the Conference is approximately 20% over budget for those line items. A discussion was held on possible ways to save money:
 - Convert Golf Tournament to Tee-Times? Historically we have around 30 golfers. The Vancouver golf course requires a \$1,000 deposit and if the tournament doesn't get 30 participants, the \$1,000 is lost.
 - Discussion of reducing conference bag – no logos, limited contents, etc. Hydroflasks will be provided to all attendees as this is a sponsored item this year.
 - Consider raising registration fees by \$25 this year. Catering costs are the driver to this, not the Conference Solutions contract.
 - Jana informed the Board that the "First Time Attenders" dinner/reception was eliminated to save money and also because it was lightly attended.

Craig Moved to increase the Conference Registration fee by \$25 for each registration level effective with the 2018 conference. Stacie seconded. Motion passed unanimously.

Jack moved that the Organization increase the non-member conference registration fee to \$200 more than the member registration fee for each registration level effective with the 2018 conference. Stacie seconded. Motion passed unanimously.

- Discussion of offering a printed guide again this year after a several-years absence. Stacie suggested meeting in the middle and paying for the mark-up but then posting it to the website

for people to print if they want it. Board has decided not to produce an actual book and will look at enhancing the guidebook app and/or post a document to the website.

The local conference committee had various questions including registration fees for conference. Do registration volunteers have to pay if all they do is register? No, they don't have to pay. They are also comped meals. Discussion of past practices occurred.

Dale gave a brief update of what's happening with the 2021 conference and trying to have it in Spokane. The Conference Center/Hotel wants a very large bed-night commitment to reserve the conference center now. This is of concern and may result in having to relocate the conference.

2019 CONFERENCE UPDATE

Forrest Smith

Conference committee will be formed in the next two weeks – by second week of May.

Conference Solutions is telling Forrest that the WFOA agreement requires a separate website for the conference. Jana indicated that is not her understanding of the agreement and that we just roll the conference annually on the WFOA website.

PROF. DEVELOPMENT & SUSTAINABILITY

Sadie Armijo

Focus for 2018 –

- 8 career fairs thus far in 2018 – New this year was University of Portland. Internship scholarships were only available to Washington Students. The committee changed this requirement.
- Updated Signage and SWAG for career fairs.

Internship Program Results

- More interest in 2018 and therefore the deadline was extended to April 25.
- Separate Internship page on WFOA website

2018 planned activities

- We will be promoting internships at local governments upcoming career fairs this spring and fall
- 7 Slots for interns in 2018.
- GFOA Update – nothing happening on the partnership with GFOA

Recognition Program

- Set-up subcommittee with Mike Bailey taking the lead
- Committee has had a few meetings and some recognition proposals
 - End of Career recognition
 - Recognize contributions to WFOA
 - Recognize total years of governmental service/WFOA service including lower thresholds like 10 years or 15 years instead of 20+

NON-CONFERENCE EDUCATION

Beth Wright

Beth presented classes that were open for registration as of the Board Meeting date. Thus far, there have been 10 completed non-conference classes in 2018.

She is working with SAO to get the fall grants cycle classes set-up.

The education committee meeting schedule for the remainder of this year was reviewed.

Jim Koetting, Presenter/CPFIM wants to offer the training/testing to WFOA but is also willing to Key Note speak. WFOA should perform due diligence to make sure we want him to return to presenting. Mickie will check in with Doug Extine to see what his concerns were.

Jana led a discussion on vetting speakers – please make sure speakers are qualified, representing WFOA, and are presenting accurate and timely information.

CONFERENCE EDUCATION

Mickie Cooper

Mickie gave an update on the 2018 conference. There is a possible issue with the Key Note speaker selected by the ED Committee. The “winner” of the selection process has not responded to Mickie. She has contacted 2nd and 3rd most popular choices and both are available. However, after Board review it was decided to go back to the drawing board and seek out new selection. Mickie and Jana will take the lead and move quickly.

Jack communicated the issues with IRS not wanting to send out a representative. Board consensus is that if we don’t hear back from IRS by end of next week – we will need to solicit assistance from a CPA firm.

LEGISLATIVE & PROF STANDARDS

Stacie Tellers

- There will be an LGAC meeting in May and Stacie will provide an update in July.

GASB Update

- GASB Updates for 2018:
 - 75 – OPEM Employers
 - 85 – Omnibus 2017
 - 86 – Certain Debt Extinguishments
- GASB Updates for 2019:
 - 84 – Fiduciary Funds
 - 88 – Certain Disclosures Related to Debt
- GASB Updates for 2020:
 - Leases
- Implementation guides coming for:
 - Updated Information Guide
 - Fiduciary Activities
 - Leases
- Future Guidance:
 - Capitalization of Interest Costs
 - Equity Interest Ownership
 - Cloud Computing Requirements
 - Conduit Debt

GASB 77 – Tax Abatement Disclosures – DOR has launched a website that provides local governments with tax abatement information.

Revenue & Expense Recognition invitation to comment was issued 1/23/18. Comments due 4/27/18. The project is to develop a new model for classification, recognition and measurements of revenues and expenses.

WA State Legislature Update

- Ended on time
- Passed a Capital Budget
- Affordable housing bill \$54 million
- State shared revenue:
 - \$18 million marijuana taxes
 - \$20.6 million streamlined sales tax mitigation
- Hirst Water Decision Fix
- Supplemental Operating Budget Passed
- Public Works Board:
 - Approved \$6 million in preconstruction loan
 - 12 City & County Projects
 - Five years since last loan approved
- Paid Family and Medical Leave
 - Taxes begin 1/1/19
 - Benefits available 1/1/20
 - Partial Wage replacement benefits when on an approved FML
 - Administered by Employment Security
 - A voluntary plan (employer sponsored) must provide at least the same benefits level as the State Plan.

Federal Update

- Supreme Court is hearing arguments to clarify when:
 - Online retailers must collect sales tax
 - How they would remit
 - What authorities do state collectors have outside of their home state?
- Tax Bill still being assessed
 - Major changes to brackets
 - Family Health Savings Account contributions were reduced
 - \$10,000 State Local tax cap
 - Standard Deductions increased
 - No more advanced refunding of bonds

STATE AUDITOR'S OFFICE

Kelly Collins

- Kelly distributed the new revised format of SAO's annual report. It has been simplified and shortened.
- The latest audit connection was "recalled" yesterday so she was not able to distribute the printed copy. She directed the Board to the WFOA website and the online version of the audit connection.

- SAO is working on making its website easier to use.
- Discussion of OPEB GASB 45/75. SAO continues to be proactive and getting data out there to communicate changes to GASB to financial statement preparers.
- Developing a secure portal for file transfer, historical data and reports, etc. Sadie mentioned that SAO wants to make the BARS manual “tabable” or “bookmarkable”. This would be a fantastic enhancement, in this humble secretary’s opinion.
- Brad mentioned to Kelly Collins that a colleague at the County was struggling with the Schedule 6.

MEMBER COMMUNICATION & SCHOLARSHIP

Dan Spiegel

Dan had a scheduling conflict and was unable to attend the April Business Meeting. Jana reminded Board members that newsletter items for the Sumer 2018 newsletter were due to Dan by May 25.

STATE TREASURER’S OFFICE

Wendy Kancianich

Wendy was introduced/Welcomed to the Board.

Local Program Income – Brad introduced the local program that WFOA participates in and passed the discussion to Wendy.

State agencies have to come through the State Treasurer’s office to finance certain leased or purchased equipment or real estate. The Office needed a non-profit organization to sign as the lessee (for literally a one-minute period of time) and the legal rights pass to the Fiscal Agent (US Bank). This process perfects a lien on the title of real estate, for example. WFOA receives a small fee for this service. This entire process is completed prior to issuance of bonds.

MRSC UPDATE

Toni Nelson

Toni was unable to attend the April 2018 Board Meeting.

President Jana Brown adjourned the Board meeting to Blaine/Semiahmoo July 26 – 27, 2018.

Respectfully submitted,

**Jack Broyles Jr.
Secretary**