



**July 2018 BOARD MEETING
Semiahmoo Resort, Blaine, WA
July 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, Staci Ashe, Adé Ariwoola

Absent: Toni Nelson

Position Vacant: Member Communication/Scholarship

PRESIDENT

Jana Brown

Calendar Update – Jana reviewed the annual calendar. Milestones were discussed, and some corrections made to deadlines.

A discussion occurred regarding the organization’s external audit and the need to determine remaining terms of the agreement with our CPA firm.

The Board will need to identify a facilitator for the January board retreat.

Board Member Changes - Welcome to Staci Ashe from the WA State Treasurer’s Office. Dan Spiegel has officially left the Board. The position will be left vacant and Dan’s duties have been assigned to various members of the Executive Board. The position will be filled at the September business meeting.

GFOA Visit Update – Jana discussed the annual conference in St. Louis. Some emerging themes included sustainability, which seems to be a national issue. Jana shared WFOA’s internship and sustainability initiatives. WFOA appears to be ahead of the curve with the internship program and other state organizations were very interested in what WFOA has been doing for many years. Jana believes there will be reach-out to WFOA by other organizations to evaluate our internship program.

Other GFOA conference issues were discussed. Stacie Tellers indicated that as a first-time attendee, she was overwhelmed and was unsure how to proceed/where to go. A discussion of first time attendees occurred.

Honorary Membership – Resolutions of honorary membership were prepared for:

- Dean Walz
- Marilou Moore
- Chuck Pfeil
- Susan Mussleman

- Marcie Klobucher

Adé moved and Dale seconded to approve the list of honorary membership. Passed unanimously.

California State Municipal Finance Officers Webinars – Jana distributed an email chain from CSMFO regarding webinars.

WFOA membership would like to be able to receive CPE credit for the webinars. CSMFO charges \$25 for CPE credit, but the webinars are free to attend. A discussion of revenue sharing with California ensued. Jana indicated that Beth may need to have an in-depth discussion with CSMFO on how to come up with a way to administer the CPE and related costs. Jana indicated that CSMFO will likely not continue to offer the classes to WFOA for free. Logistical issues exist relating to how WFOA charges for the webinars and how to communicate/reimburse the California organization. Jana has directed the Education Committee to move forward on developing a mutually acceptable agreement.

LGAC Nomination – SAO has requested a replacement for Stacie Tellers. Nomination will occur by nomination committee/President elect.

Travel Policy – Jana had a question regarding Airfare. Board members have asked Jana if Airfare is reimbursable in specific circumstances. Jana indicated that mileage will always be lower than flying due to the charity IRS mileage rate. Jana indicated that with increased traffic and workloads, time has become a major issue in flying. Discussion ensued. **Brad moved, and Craig seconded to modify language to the travel policy to include a consideration of time required to destination. Passed unanimously.** Jack to update travel policy.

Contact List Update – List was distributed, and changes made, if necessary.

SAO MOU – The MOU extends the date of the agreement through the end of Pat’s first term, January 21, 2021. Other minor changes to joint recruiting efforts language were also made.

PRESIDENT ELECT

Craig Warner

Nominating Committee – recommendations for 2019:

Secretary – Dan Legard

2020 Conference Chair – Sandi Roberts

Education Committee Co-Chair – Debbie Booher

Legislative & Professional Standards – Stacie Tellers

Member Communication & Scholarship – Mickie Cooper

Brad moved to accept nominations as presented. Dale seconded. Passed unanimously.

Scholarship - Craig gave an update on scholarship activity

VICE PRESIDENT

Brad Posenjak

Board Meeting Arrangements – Brad discussed logistics of the July Board meeting.

Newsletter – Brad stated that the newsletter is out and there is one more scheduled to be completed before the conference. Jana suggested that it be published the first week of September. Items are due to Brad by August 24. Newsletter to publisher by 8/31 for delivery by 9/7.

GFOA/BC Visit Update – About 250 people attended. Most of the conference is general session classes. One afternoon there was a choice of three classes. Minimal focus on accounting and a larger focus on identification of revenues, emergency management, and other non-accounting relevant topics. A general discussion occurred about some of the things that GFOABC is doing particularly well. Brad demonstrated the “eventmobi” app which appears cleaner and easier to use than Guidebook. Discussion ensued that our conference is much larger than GFOABC and that part of the differences may be due to sheer volume of activities occurring at WFOA.

Financial Audit Update – The audit is complete. No management letter items in 2017 after last year’s item suggesting a review of the bank reconciliation. Discussion of the immaterial accrual adjustments result in a different TB in QB than are on the audited financial statements. **Jack moved to accept the 2017 audited financial statements. Mickie seconded. Passed unanimously.**

TREASURER

Dale Hough

2018 Interim Financial Report – Dale led a discussion of the Organization’s Balance Sheet, Budget to Actual, and Income Statement.

Budget vs. Actual Included very limited conference data – As of June 30, we have earned 82% of budgeted conference revenue. Very limited expenses related to the conference have been paid to this point. Only about 5% of budget is expended. The conference appears to be on target, revenue wise, when compared to 2017.

Adé moved and Craig seconded to approve the 2nd quarter financial statements as presented. Motion passes unanimously.

Affiliate Member Dues – Jana indicated that the board did not address affiliate member dues when increasing regular member dues in April. A discussion ensued on whether or not to adjust affiliate dues. Board consensus was to leave dues at current levels.

Student Member Dues – Jana asked if the organization had a student membership rate. WFOA does not currently have a student rate. Jana is proposing a discounted student rate. Discussion ensued. **Craig moved that WFOA offer a student membership for full time students for \$10 annually effective 1/1/19. Beth seconded. Passed unanimously.**

Spokane Update – The Spokane Convention Center/Public Facilities District has reached an agreement with WFOA and the 2021 conference will be held in Spokane!

SECRETARY

Jack Broyles

Jack presented the Draft April 26, 2018 Board Meeting Minutes.

Forrest moved to accept modified April Board meeting minutes. Dale seconded. Passed unanimously.

WFOA Policy Manual Update – Jack presented a proposed policy change related to Minimum Fund Balance. Dale also presented language proposing a change to the policy. Board consensus occurred on modifying the Minimum Fund Balance Policy. Ade moved and Craig seconded to adopt new language, as follows, relating to minimum fund balance:

It is the policy of the WFOA Board to have one-half the costs of the annual conference plus two months operations reserved as a fund balance each year.

The Motion Passed Unanimously.

Job Board Update – Jack gave an update of the job postings portion of the website. Minor changes to job posting ending dates were suggested. Jack will incorporate the Board’s suggestions.

2018 Conference Resolutions –

- 2018 – 01 Thanking Host Cities
- 2018 – 02 Marilou Moore Honorary Membership
- 2018 – 03 Dean Walz Honorary Membership
- 2018 – 04 Chuck Pfeil Honorary Membership
- 2018 – 05 Marcie Klobucher Honorary Membership
- 2018 – 06 Susan Musselman Honorary Membership

The board made minor changes to the resolutions which will be presented at the business meeting in September,

PAST PRESIDENT

Adé Ariwoola

Past President’s Lunch – Adé updated the Board on the Past Presidents lunch that occurred on July 20 in Federal Way. The event went very well with about 7 board members and 10 past presidents in attendance.

Final Words of Wisdom – Adé believes WFOA is in good hands and advised the Board to look ahead when it is making decisions. Decisions made today will affect the organization for years to come. Adé has stated that he has had a great run. Jana presented Adé with a thank-you card for his many years of service.

2017 CONFERENCE UPDATE

Dan Legard

Dan Legard gave an update on sponsorship. Currently level is over \$75,000 and Dan is hoping close to \$85,000 in total sponsorship revenue will be raised. There are currently one premium and seven standard booths remaining.

2018 CONFERENCE UPDATE

Carrie Lewellen

Carrie gave an update on the 2018 conference:

- Carrie presented a current status of the conference with data provided by Conference Solutions. The conference revenue looks very good and was 85% of budget at 6/30/18. Conference Solutions needs to record the fees already paid by WFOA in order to better present incurred 2018 conference expenses.
- Carrie expressed concern about parking for attendees. There may not be enough onsite parking and WFOA may need to shuttle people from a park and ride for those that aren’t staying at a conference hotel. This would increase transportation expenses.
- Golf tournament may not happen. Only 9 have registered and 36 are needed. Dan Legard indicated that golf registrations tend to come in very late.

- Mickie will contact Megan at CS to get the link to register complimentary attendees for the Thursday evening banquet.
- Hotel rooms are nearly gone for all blocks reserved.

2019 CONFERENCE UPDATE

Forrest Smith

Forrest showed the theme and logo for the 2019 conference. The theme is “Swing for the Fences” which is a baseball theme.

Forrest discussed with the Board that the 2019 conference is purchasing 800 boxes of Cracker Jack to distribute at the 2018 conference and asked that the board approve the purchase in order to promote 2019 conference registration. Board agreed that this was a great idea.

PROF. DEVELOPMENT & SUSTAINABILITY

Sadie Armijo

Internships:

Seven Interns: Port Orchard, SNOCO Fire 7, East Wenatchee Water, City of Ridgefield, Clark County, City of Woodinville, and Spokane Valley Fire. Sadie demonstrated how each intern was being used by their entity.

2018 Plans: Working with Brent to make forms electronic, WFOA email account established, Google Docs being used to share information and for promotion in fall recruiting events.

Recognition:

A subcommittee has been formed to get recognition moving forward. The subcommittee developed initial criteria for reception of the award. Sadie discussed the proposed WFOA Member award of excellence and the proposed criteria. The Board gave its suggestions for the criteria. Sadie will discuss changes with the subcommittee and bring the “final” draft back to the Board.

Career Fairs/Recruitment:

So far in 2018, WFOA has been represented at eight recruitment events (half-way through the year). There have also been presentations in three classrooms during the first half of the year. For perspective, in 2017, WFOA was represented at a total of eight events for the entire year. In fall of 2018, there will be additional events including the first high school outreach at the North Thurston School District.

A PowerPoint presentation has been prepared for use in recruiting events.

NON-CONFERENCE EDUCATION

Beth Wright

Beth discussed year-to-date for 2018 (as of June 30). 16 classes have been held with 558 registrations. Beth discussed the beginning governmental accounting classes and mentioned that the Cash basis classes were really well received, however there were some issues with the GAAP basis classes. Beth discussed upcoming classes for the end of the year.

Jana lead a brief discussion of speaker vetting and it was suggested that SAO review the material to be presented prior to approving new/unknown speakers.

CONFERENCE EDUCATION

Mickie Cooper

Mickie gave an update on the conference. The schedule for the conference is complete. Missing miscellaneous pieces of data include biographies.

Mickie suggested someone from Conference Solutions should participate on the Education committee next year in order to facilitate information flow.

Mickie indicated the Conference Education Program is in good shape.

LEGISLATIVE & PROF STANDARDS

Stacie Tellers

Local Government Advisory Committee (LGAC):

- There was an LGAC meeting on May 31, 2018 and the following items were discussed:
 - **OPEB Update:**
 - State actuary tool for PEBB will be available by end of year.
 - TRUE COBRA is not OPEB
 - Extension of COBRA would be OPEB
 - Comingled Pension/OPEB plans and qualifying trusts
 - Local Governments not reporting OPEB per GASB 45/47

BARS Update:

Expenditure Object code 50 Intergovernmental Services and Payments is being eliminated due to misuse making data reporting ineffective.

BARS annual updates on track for early December 2018 release

Performance Center Tools

“MYBARS” – personalized BARS manual, web based, full access to BARS, produces a full PDF manual, bookmark, make notes, etc. Tool will ensure that everyone has most recent version of BARS.

LGFRS has been updated, is easier to use, is faster, and more data is available.

Resource Center has created new checklists requested by local government, audit team, and to align with new standards.

LGAC membership changes: the one member available to WA Country Administrative Association was moved to the WA Association of County Officials. WFOA has a vacancy created when Stacie moved to SAO and Stacie also indicated that the sixth WFOA position was vacant.

GASB Update

- GASB Updates for 2018:
 - 75 – OPEB 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:
 - 87 – Leases
 - 89 – Accounting for Interest Costs Incurred before the End of a Construction period
- Implementation guides coming for:
 - Fiduciary Activities (84)
 - Leases (87)
- Future Guidance:
 - Equity Interest Ownership
 - Cloud Computing Requirements
 - Conduit Debt

GASB 89 – Accounting for Interest Costs incurred before the end of a construction period, released in June 2018 and effective for periods beginning after December 15, 2019. Corrects Statement 62 by removing the requirement to capitalize interest incurred during the construction period. Requires expensing interest costs in the current period.

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. Public hearings occurred in May at the GFOA conference, in San Francisco, and in Norwalk CT. Stacie provided a summary of main comments received regarding the proposed language.

Federal Legislature Update

Update from the committee related to the Federal Level:

- Sales Tax Ruling by Supreme Court – States may now require sales tax collection on business that do not have a physical presence in the State.

WA State Legislature Update

- Homeless issues – document recording fee had a large increase.
- Public Health Funding – funds to support behavioral health, mental health, opioid treatment
- Shared Revenues – no cuts made during session
- 2019 session
 - Long Session
 - City and County priorities are in development

COMMITTEE UPDATE

- Stacie reworked parts of the website related to the committee. She demonstrated the changes she made.

STATE AUDITOR'S OFFICE

Kelly Collins

- SAO is redesigning their website. New tools are being developed to make searching easier for reports and a redesign of how the BARS manuals are presented. SAO will also be using SAW (Secure Access WA) for client on-line services sign in to bring it in alignment with most other state agencies.
- There will be a new feature for the client portal called "Tracker". This will allow clients to track the status of audit findings and management letter items. Kelly provided a handout and asked for Board opinion of the categories under "Entity Reported Status" which allows a client to report corrective actions taken to address audit findings and management letter items. Discussion occurred of how frequently the SAO should email entities requesting follow up of findings and management letter items. The Board recommended a 60-day interval for the email notifications. Additionally, Kelly shared that the SAO had a goal of the Tracker information being made available to the public in the future.
- Kelly demonstrated the Missouri State Auditor's Office website and the features that it has that SAO wants to incorporate in its website redesign.
- On July 30, SAO will communicate its 2019 local government audit billing rate increase from \$95 to \$100/hr. Also, on January 1, 2019, the travel billing rate will increase to 75% of the regular billing rate, from 50%. Fraud related work will increase to \$125/hr. Kelly discussed factors for the rise in rates; auditors received a 5% across-the-board increase in salaries plus a COLA increase approved by the Legislature. Board members asked several questions and received answers from Kelly.
- Kelly distributed the latest *Audit Connection*.

MEMBER COMMUNICATION & SCHOLARSHIP

No Report – Position Vacant.

STATE TREASURER'S OFFICE

Staci Ashe

Staci was introduced/Welcomed to the Board.

MRSC UPDATE

Toni Nelson

Toni was unable to attend the July 2018 Board Meeting.

President Jana Brown adjourned the Board meeting to Vancouver September 21, 2018.

Respectfully submitted,

**Jack Broyles Jr.
Secretary**