



# Willamette Falls Locks AUTHORITY

## Authority Meeting

### Oregon City Library

606 John Adams St, Oregon City

Wednesday, February 28, 2024 – 2:00 to 3:30 PM

Optional hybrid attendee link: <https://us06web.zoom.us/j/89653603970>

## Agenda

### Authority Mission:

- *The mission of the Authority is to establish ownership, oversight, and management of the Willamette Falls Locks project, for the purposes of:*
  - *Enhancing the economic vitality of Oregon through facilitating the resiliency and navigability of the Willamette River; and*
  - *Repairing, maintaining, upgrading, and operating the Willamette Falls Locks project and associated properties and facilities for commercial, transportation, recreational, cultural, historic, heritage and tourism purposes.*

2:00 – 2:15	<b>Welcome, Agenda Overview, Board Officer Elections. Minutes Approval</b> <ul style="list-style-type: none"><li>○ Welcome, Agenda Review</li><li>○ <b>Approval</b> of Minutes from WFLA Meeting (January 2024)</li><li>○ Accounting and Treasurer’s update<ul style="list-style-type: none"><li>▪ Prorated Year to Date</li><li>▪ Total Year to Date</li><li>▪ <b>Approval</b> of Treasurer’s report</li></ul></li></ul>
2:15 – 2:45	<b>WFLA Director’s Report - Business Item Updates</b> <ul style="list-style-type: none"><li>○ Financial Decisions and Policies<ul style="list-style-type: none"><li>▪ Financial Policy and Procedure Manual</li><li>▪ Budget Calendar - There are some TBD dates on this pending the establishment of the Budget Committee meeting date.<ul style="list-style-type: none"><li>- <b>Board decision later in this meeting.</b></li></ul></li><li>▪ Fiscal Policy Manual Outline and Timeline<ul style="list-style-type: none"><li>- Brief Review</li></ul></li><li>▪ Fiscal Policy Manual completed chapters 1, 4, and 5.<ul style="list-style-type: none"><li>- Detailed review. Approval of all chapters will be sought later this year.</li></ul></li><li>▪ Procurement Manual Updates<ul style="list-style-type: none"><li>- <b>Board decision later in this meeting.</b></li></ul></li></ul></li><li>○ Website review and discussion</li></ul>

2:45-3:00	<p><b>Decisions</b></p> <ul style="list-style-type: none"><li>○ <b>Budget Calendar</b><ul style="list-style-type: none"><li>▪ <i>Suggested Motion: I move to approve the Willamette Falls Locks Authority 2024-25 proposed budget calendar as presented.</i></li></ul></li><li>○ <b>Procurement Manual Update</b><ul style="list-style-type: none"><li>▪ <i>Suggested Motion: I move to approve the updates to The Willamette Falls Locks Authority procurement manual as presented.</i></li></ul></li></ul>
3:00-3:10	<p><b>Wrap-up &amp; Adjourn</b></p> <ul style="list-style-type: none"><li>○ Next Meeting March 27, 2024</li></ul>

**Consideration of the January 24, 2024 Minutes**

Willamette Falls Locks Authority Board Meeting  
Wednesday, February 28, 2024

## WILLAMETTE FALLS LOCKS AUTHORITY

Authority Meeting  
January 24, 2024 – 2:00-3:30 PM  
DRAFT Meeting Minutes  
(Minutes: Pat Vivian and Sandy Carter)

### **Authority Board Members Present:**

Russ Axelrod  
Sandy Carter [*Advocates for Willamette Falls Heritage* ]  
Robert Kentta [*Confederated Tribes of Siletz*]  
Christine Lewis [*Metro Council*]  
Denyse McGriff [*Mayor, Oregon City*]  
Mini Sharma Ogle [*PGE*]  
Chris Mercier [*Vice Chair, Confederated Tribes of Grande Ronde*]  
David Penilton [*Clackamas County Tourism*]  
Tootie Smith [*Chair, Clackamas County Board of Commissioners*]

### Legislative ex officio members:

Rep. James Hieb [*House District 51*]  
Sen. Mark Meek

### Staff:

Reed Wagner [*WFLA Executive Director*]  
Georgia Langer [*Metro Council Office*]

### **Others Present:**

Doug Riggs  
Tracy Schwartz  
Keith Hobson

## **1. Welcome, Agenda Review, Board Officer Elections, Minutes Approval**

1a. Welcome, Agenda Review. Chair Christine Lewis called the meeting to order and reviewed the agenda. A quorum was present. She had to leave early; Russ Axelrod led discussion after that. The main agenda topic today was Section 106 of the National Historic Preservation Act.

1b. Board Elections. Executive Director Reed Wagner received three nominations for board officers as of Jan. 16. There were no nominations for Treasurer by the deadline, but since then Mayor Denyse McGriff was nominated.

ACTION: Russ Axelrod made a motion that the board accept Denyse's nomination. It was seconded by Sandy Carter, with unanimous approval and no abstentions. Chair Tootie Smith then made a motion that the board accept the slate of four nominees. David Penilton seconded the motion, which was unanimously approved with no abstentions. An "at large" (fifth Executive Committee) position remains under consideration. The four WFLA Board officers elected today are:

- Chair: Christine Lewis
- Vice Chair: Russ Axelrod
- Secretary: Sandy Carter
- Treasurer: Denyse McGriff

1c. Approval of October and December Minutes. Mayor Denyse McGriff made a motion that both sets of minutes be accepted as final, seconded by Russ Axelrod. Both minutes were unanimously approved.

## **2. Director's Report**

2a. Accounting and Treasurer's Update. Two financial reports were included in the meeting packet: A one-year budget to date with the budget prorated; and a year-to-date budget showing actuals vs. total budget. So far in 2024, the budget is under-spent and more revenues will be received than anticipated due to contributions shifting from the '23 budget year to the '24 budget year.

Over the next two weeks, Reed will send invoices to supporters. He encouraged board members to help speed collection of pledges from their organizations. Two big payments are needed before the end of this fiscal year: the Friends of Mt. Hood Travel Commission and Portland State University.

Reed advocated reaching out to the city of Newberg and other Tribes in the region that might join the Grand Ronde in making a pledge. Russ Axelrod and Doug Riggs offered to approach Newberg officials, whose redevelopment plan is dependent on river traffic.

2b. Audit RFP. The WFLA is currently getting pro bono auditing support from Merina and Company, thanks to suggestions from Metro and West Linn. Reed expects to hire an auditor by the end of this fiscal year.

2c. Financial Policy and Procedures Manual. With the help of Keith Hobson, Reed is preparing a financial policy and procedures manual to be refined over the next 6-8 months according to the schedule in the meeting packet.

2d. LGIP Resolution. The Board discussed joining the Local Government Investment Program, which protects and invests local government funds over \$250,000 that are not FDIC-insured. Sandy Carter asked for confirmation that the WFLA is eligible to participate in the LGIP as a local government; Reed said a public corporation is considered local government.

What is unclear is whether the Board needs to follow budget law when making financial decisions. Language in the statute implies budget law must be followed in procurement, yet the statute contradicts itself in ways that need to be reconciled. Reed asked whether legislative Board members could help; Rep. Mark Meek offered to work with other legislators on modifying the statute to address the contradictions.

ACTION: Russ Axelrod made a motion that the WFLA adopt Resolution 2024-01:

The members of the Willamette Falls Locks Authority resolve as follows:

*Section 1:* The authority members authorize the Executive Director to participate in the LGIP and to open an account in the LGIP and Oregon Short Term Fund.

*Section 2:* The authority members also authorize the Chair, Vice Chair, Treasurer and Executive Director to be signers on accounts associated with the LGIP.

Denyse McGriff seconded the motion, which passed with unanimous approval.

2e. Budget Officer. Chair Tootie Smith made a motion to appoint the Executive Director as WFLA Budget Officer; Mini Sharma Ogle seconded the motion.

ACTION: The Board of Directors of Willamette Falls Locks Authority unanimously appointed the Executive Director of the Authority as Budget Officer, as required by ORS 294.331. Reed will prepare a budget calendar as the next step.

### **3. Discussion and Decision re: Legal Vehicle for Section 106 of the National Historic Preservation Act, with Public Comment**

Denyse McGriff asked about easements to be attached to the title at transfer. Reed said the US Army Corps of Engineers is doing extensive research on bundling the access easements together in an updated title. PGE has been working with ACOE on this. Mini Sharma Ogle said it's complex because many entities are involved, some of which no longer exist. Tracy Schwartz, ACOE historic preservation specialist, suggested that Reed reach out to Laura Hicks, ACOE project manager, for more information on temporary vs. permanent easements.

Russ pointed out that the deed clarifies that operation of the Locks takes precedence over easements. Reed noted that the decision regarding Section 106 is mainly a structural

framework. The State Historic Preservation Office expects to be party to the agreement. He then opened the floor for Public Comment.

River resident Bob Hansen was the only commenter, “I enjoy using the Locks, and I’m 100 percent in favor of everything you’re doing.”

**ACTION:** Russ Axelrod made a motion that the Board accept the legal recommendation by Clark Balfour of Cable Huston regarding Section 106. Denyse McGriff seconded the motion.

She asked whether the Authority will have an opportunity to accept ACOE improvements before ownership is transferred. The Resource Development Act of 2020 calls for all easements to be in order and seismic work completed before the transfer, Tracy replied. Development of a management plan is also part of the process.

The motion was unanimously approved by all Board members present with no abstentions. There was general consensus this is a big milestone in transferring ownership from the federal government to the Authority. Now Tracy can move ahead with preparing the preservation agreement. Board members acknowledged that ongoing support has led to this moment. Major supporters acknowledged include the city of West Linn, Clackamas County, Metro and the SHPO.

Reed distributed copies of a flyer prepared for the Oregon Legislature that summarizes accomplishments since HB 2565 created the Authority in 2021 and describes future plans for the Locks. The flyer outlines the history of the Locks and lists current Board members.

## **5. Wrap Up and Adjourn**

The next WFLA board meeting will be February 28, 2024.

## **Accounting and Treasurers Updates**

Willamette Falls Locks Authority Board Meeting  
Wednesday, February 28, 2024



# Willamette Falls Locks Authority

## Budget vs. Actuals: Total Budget\_FY24\_P&L\_(Flat) - FY24 P&L

July - December, 2023

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
<b>Income</b>				
40001 Beginning Fund Balance		356,703.00	356,703.00	100.00 %
43100 Intergovernmental Revenue				
43110 Metro	40,000.00	40,000.00	0.00	0.00 %
43120 Clackamas County	40,000.00	40,000.00	0.00	0.00 %
43130 City of West Linn	15,000.00	15,000.00	0.00	0.00 %
43132 City of Oregon City	10,000.00	10,000.00	0.00	0.00 %
43133 City of Wilsonville	7,000.00	7,000.00	0.00	0.00 %
43134 City of Gladstone	2,500.00	2,500.00	0.00	0.00 %
<b>Total 43100 Intergovernmental Revenue</b>	<b>114,500.00</b>	<b>114,500.00</b>	<b>0.00</b>	<b>0.00 %</b>
43200 Interagency Revenue				
43210 PSU		75,600.00	75,600.00	100.00 %
43230 Confederated Tribes of the Grand Ronde	10,000.00	10,000.00	0.00	0.00 %
43250 PGE	20,000.00	20,000.00	0.00	0.00 %
<b>Total 43200 Interagency Revenue</b>	<b>30,000.00</b>	<b>105,600.00</b>	<b>75,600.00</b>	<b>71.59 %</b>
<b>Total Income</b>	<b>\$144,500.00</b>	<b>\$576,803.00</b>	<b>\$432,303.00</b>	<b>74.95 %</b>
<b>GROSS PROFIT</b>	<b>\$144,500.00</b>	<b>\$576,803.00</b>	<b>\$432,303.00</b>	<b>74.95 %</b>
<b>Expenses</b>				
53300 Contract Services				
53310 Contract Management	60,000.00	120,000.00	60,000.00	50.00 %
53320 PSU		12,000.00	12,000.00	100.00 %
53330 Administrative Services	2,250.00	12,000.00	9,750.00	81.25 %
53340 Internet / Web Design	100.00	10,000.00	9,900.00	99.00 %
53350 Communications		450.00	450.00	100.00 %
53360 Web Hosting		900.00	900.00	100.00 %
53370 Zoom Webinar	379.96	1,140.00	760.04	66.67 %
53390 Misc Contract Services		2,500.00	2,500.00	100.00 %
<b>Total 53300 Contract Services</b>	<b>62,729.96</b>	<b>158,990.00</b>	<b>96,260.04</b>	<b>60.54 %</b>
53500 Professional Services				
53510 Legal	7,052.50	15,000.00	7,947.50	52.98 %
53530 Financial	5,040.00	25,000.00	19,960.00	79.84 %
<b>Total 53500 Professional Services</b>	<b>12,092.50</b>	<b>40,000.00</b>	<b>27,907.50</b>	<b>69.77 %</b>
53700 Administrative Expenses				
53710 Bank Fees		120.00	120.00	100.00 %
53720 Insurance	3,329.64	3,329.00	-0.64	-0.02 %
53730 Printed Collateral	84.45	2,500.00	2,415.55	96.62 %
53740 Marketing/Fundraising	884.51	10,000.00	9,115.49	91.15 %
53750 Memberships	750.00	6,500.00	5,750.00	88.46 %
53760 Travel	1,135.99	3,000.00	1,864.01	62.13 %
53770 Training /Conferences	900.00	3,000.00	2,100.00	70.00 %
<b>Total 53700 Administrative Expenses</b>	<b>7,084.59</b>	<b>28,449.00</b>	<b>21,364.41</b>	<b>75.10 %</b>
53800 IT / Technology				

# Willamette Falls Locks Authority

## Budget vs. Actuals: Total Budget\_FY24\_P&L\_(Flat) - FY24 P&L

July - December, 2023

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
53810 Software Licenses	152.00		-152.00	
53820 Web Hosting	264.63		-264.63	
53850 Small IT Equipment	1,099.97		-1,099.97	
<b>Total 53800 IT / Technology</b>	<b>1,516.60</b>		<b>-1,516.60</b>	
54000 Operating Expenses	275.00		-275.00	
<b>Total Expenses</b>	<b>\$83,698.65</b>	<b>\$227,439.00</b>	<b>\$143,740.35</b>	<b>63.20 %</b>
NET OPERATING INCOME	<b>\$60,801.35</b>	<b>\$349,364.00</b>	<b>\$288,562.65</b>	<b>82.60 %</b>
Other Income				
48100 Interest Revenue	45.56	86.00	40.44	47.02 %
<b>Total Other Income</b>	<b>\$45.56</b>	<b>\$86.00</b>	<b>\$40.44</b>	<b>47.02 %</b>
Other Expenses				
81000 Operating Contingency		40,136.00	40,136.00	100.00 %
89999 Unappropriated Ending Fund Balance		309,314.00	309,314.00	100.00 %
<b>Total Other Expenses</b>	<b>\$0.00</b>	<b>\$349,450.00</b>	<b>\$349,450.00</b>	<b>100.00 %</b>
NET OTHER INCOME	<b>\$45.56</b>	<b>\$ -349,364.00</b>	<b>\$ -349,409.56</b>	<b>100.01 %</b>
NET INCOME	<b>\$60,846.91</b>	<b>\$0.00</b>	<b>\$ -60,846.91</b>	<b>0.00%</b>

# Willamette Falls Locks Authority

## Budget vs. Actuals: Prorated Budget\_FY24\_P&L - FY24 P&L

July - December, 2023

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
<b>Income</b>				
40001 Beginning Fund Balance		356,703.00	356,703.00	100.00 %
43100 Intergovernmental Revenue				
43110 Metro	40,000.00	40,000.00	0.00	0.00 %
43120 Clackamas County	40,000.00	40,000.00	0.00	0.00 %
43130 City of West Linn	15,000.00	15,000.00	0.00	0.00 %
43132 City of Oregon City	10,000.00	10,000.00	0.00	0.00 %
43133 City of Wilsonville	7,000.00	7,000.00	0.00	0.00 %
43134 City of Gladstone	2,500.00	2,500.00	0.00	0.00 %
<b>Total 43100 Intergovernmental Revenue</b>	<b>114,500.00</b>	<b>114,500.00</b>	<b>0.00</b>	<b>0.00 %</b>
43200 Interagency Revenue				
43210 PSU		0.00	0.00	
43230 Confederated Tribes of the Grand Ronde	10,000.00	10,000.00	0.00	0.00 %
43250 PGE	20,000.00	20,000.00	0.00	0.00 %
<b>Total 43200 Interagency Revenue</b>	<b>30,000.00</b>	<b>30,000.00</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Total Income</b>	<b>\$144,500.00</b>	<b>\$501,203.00</b>	<b>\$356,703.00</b>	<b>71.17 %</b>
<b>GROSS PROFIT</b>	<b>\$144,500.00</b>	<b>\$501,203.00</b>	<b>\$356,703.00</b>	<b>71.17 %</b>
<b>Expenses</b>				
53300 Contract Services				
53310 Contract Management	60,000.00	60,000.00	0.00	0.00 %
53320 PSU		6,000.00	6,000.00	100.00 %
53330 Administrative Services	2,250.00	6,000.00	3,750.00	62.50 %
53340 Internet / Web Design	100.00	4,999.98	4,899.98	98.00 %
53350 Communications		225.00	225.00	100.00 %
53360 Web Hosting		450.00	450.00	100.00 %
53370 Zoom Webinar	379.96	570.00	190.04	33.34 %
53390 Misc Contract Services		1,249.98	1,249.98	100.00 %
<b>Total 53300 Contract Services</b>	<b>62,729.96</b>	<b>79,494.96</b>	<b>16,765.00</b>	<b>21.09 %</b>
53500 Professional Services				
53510 Legal	7,052.50	7,500.00	447.50	5.97 %
53530 Financial	5,040.00	12,499.98	7,459.98	59.68 %
<b>Total 53500 Professional Services</b>	<b>12,092.50</b>	<b>19,999.98</b>	<b>7,907.48</b>	<b>39.54 %</b>
53700 Administrative Expenses				
53710 Bank Fees		60.00	60.00	100.00 %
53720 Insurance	3,329.64	3,329.00	-0.64	-0.02 %
53730 Printed Collateral	84.45	1,249.98	1,165.53	93.24 %
53740 Marketing/Fundraising	884.51	4,999.98	4,115.47	82.31 %
53750 Memberships	750.00	3,250.02	2,500.02	76.92 %
53760 Travel	1,135.99	1,500.00	364.01	24.27 %
53770 Training /Conferences	900.00	1,500.00	600.00	40.00 %
<b>Total 53700 Administrative Expenses</b>	<b>7,084.59</b>	<b>15,888.98</b>	<b>8,804.39</b>	<b>55.41 %</b>
53800 IT / Technology				

# Willamette Falls Locks Authority

## Budget vs. Actuals: Prorated Budget\_FY24\_P&L - FY24 P&L

July - December, 2023

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
53810 Software Licenses	152.00		-152.00	
53820 Web Hosting	264.63		-264.63	
53850 Small IT Equipment	1,099.97		-1,099.97	
<b>Total 53800 IT / Technology</b>	<b>1,516.60</b>		<b>-1,516.60</b>	
54000 Operating Expenses	275.00		-275.00	
<b>Total Expenses</b>	<b>\$83,698.65</b>	<b>\$115,383.92</b>	<b>\$31,685.27</b>	<b>27.46 %</b>
NET OPERATING INCOME	<b>\$60,801.35</b>	<b>\$385,819.08</b>	<b>\$325,017.73</b>	<b>84.24 %</b>
Other Income				
48100 Interest Revenue	45.56	43.02	-2.54	-5.90 %
<b>Total Other Income</b>	<b>\$45.56</b>	<b>\$43.02</b>	<b>\$ -2.54</b>	<b>-5.90 %</b>
Other Expenses				
81000 Operating Contingency		40,136.00	40,136.00	100.00 %
89999 Unappropriated Ending Fund Balance		309,314.00	309,314.00	100.00 %
<b>Total Other Expenses</b>	<b>\$0.00</b>	<b>\$349,450.00</b>	<b>\$349,450.00</b>	<b>100.00 %</b>
NET OTHER INCOME	<b>\$45.56</b>	<b>\$ -349,406.98</b>	<b>\$ -349,452.54</b>	<b>100.01 %</b>
NET INCOME	<b>\$60,846.91</b>	<b>\$36,412.10</b>	<b>\$ -24,434.81</b>	<b>-67.11 %</b>

## **Financial Decisions and Policies**

Willamette Falls Locks Authority Board Meeting  
Wednesday, February 28, 2024

# WFLA Financial Policy and Procedure Manual

## Outline of Topics and Timeline for Development

### Chapter 1 – Overview (Jan-Mar 2024)

- Purpose and organization of the manual
- Current limitations versus long-term practices. Need to update as organization grows.
- Roles

### Chapter 2 – Budget (Feb-May 2024)

Objectives

Section 1 – Budget Basis

Section 2 – Budget Roles

Section 3 – Budget Preparation and Calendar

Section 4 – Contingency and Reserve Levels

Section 5 – Budget Approval, Adoption, and Amendment

### Chapter 3 – Revenues and Receipts (Feb-Apr 2024)

Objectives

Section 1 Timing of revenue recognition.

Section 2 Collection of Funds Receivable

Section 3 Receipt and deposit of funds

Section 4 Revenue Agreements

### Chapter 4 – Procurement and Contracting (Jan-Mar 2024)

Objectives

Section 1 Procurement and Contracting

Section 2 Delegation of Authority

### Chapter 5 – Expenditures (Jan-Mar 2024)

Objectives

Section 1 Delegation of Authority

Section 2 Allowable methods of making expenditure

Section 3 Approval, Review and Recording of Expenditures

Section 4 Travel

Section 5 Non-travel meals

### Chapter 6 – Banking and Cash Management (Feb-Apr 2024)

Objectives

Section 1 Delegation of Authority

Section 2 Banking Fraud Protection requirements

Section 3 Investment Policy

## Chapter 7 –Financial Reporting (Mar-May 2024)

Objectives

Section 1 Year end audit and reporting

Section 2 Interim reporting

## Chapter 8 –Investments (Apr-Jun 2024)

Objectives

Section 1 Investment Policy to meet Oregon Treasury Board requirements

## Chapter 9 – Long-term Financial Sustainability (Dec 2024 – Apr 2025)

Objectives

Section 1 Define long-term for financial planning purposes

Section 2 Long-term financial planning model

Section 3 Authority goals for long-term financial outcomes

## Chapter 10 – Fixed Assets and Infrastructure (Jan-May 2025)

Objectives

Section 1 Capitalization thresholds and useful lives of fixed assets

Section 2 Recognition of donated or contributed fixed assets of infrastructure

Section 3 Capital Asset replacement and/or maintenance funding

Section 4 Capitalization of intangible assets

Section 5 Disposition of Fixed Assets

Other topics: Sale of capital assets; subscription based technology

## Chapter 11 – Debt Management (Mar-Jun 2025)

Section 1 Definitions and categories of debt

Section 2 Legal debt limits

Section 3 Financial Assessment prior to Debt Issuance

Section 4 Debt Issuance Practices

Section 5 Continuing Disclosure and Debt Management

# WFLA Financial Policy and Procedures Manual

## Chapter 1 – Overview

### PURPOSE AND ORGANIZATION:

The purpose of the Financial Policy and Procedures Manual is to describe and document how the financial management activities for WFLA are to be carried out. The areas to be covered by these policy and procedures include:

- Clarification of roles and delegation of authority,
- Safeguarding of assets,
- Strategic and prioritized use of limited resources
- Proper recording and accounting of financial activity, and
- Compliance with applicable laws and regulations

This Fiscal Policy and Procedures Manual is organized under the following hierarchy

- **Chapters:** This Manual is broken into chapters, which cover major areas of fiscal policy and procedure. The chapters can be independently reviewed and adopted, and independently amended where necessary, rather than requiring adoption or amendment of the entire Manual. Each Chapter contains:
  - **Objectives:** Each Chapter begins with a listing of the desired outcomes of the policies and procedures contained within that section. This is the “why” of the Chapter, and is intended to specify desired internal control elements and any other justification for the resulting policies and procedures.
  - **Sections:** Sections are a further breakdown of the Chapter contents, and each section contains:
    - **Policy:** Policies are adopted by the Board and establish the guidelines for fiscal activity for the organization. For instance, the policies establish delegation of authority from the Board to the Executive Director. Policies can only be amended or rescinded by the board; as such they are intended to be broad statements of intent rather than address specific activities
    - **Procedures:** Procedures are implemented by the Executive Director, although input of the Board (or possibly just the Board Treasurer) may be solicited in the development of the procedures. The procedures are be drafted to ensure compliance with the Board-adopted policies, as well as to provide adequate internal financial controls. Procedures will define specific activities and may be changed by the Executive Director as necessary to address changing organization needs, or changing technical, legal, or regulatory requirements.



**LIMITATIONS:** This Manual, and especially the procedures therein, has been created within the limitations of the current operating and administrative structure of the Authority. These limitations include limited staffing, which makes segregation of duties impossible. They also include limited financial management system capabilities; there is not enough financial activity to warrant a robust financial management system. This recognizes that as the Authority grows and additional administrative resources are added, the fiscal policies and procedures will have to be revised and updated.

**ROLES:** There are certain essential roles referenced in this Manual and these roles are defined as follows:

- **Board:** The governing board of the Authority, which consists of the appointed voting members of the Authority as defined in ORS 196.210
- **Officers:** The Chair, Vice-chair, Secretary and Treasurer as defined and in Section 2 of the Authority By-laws.
- **Executive Director:** The Director as defined in Section 3 of the Authority By-laws. This position may be filled either by contract or employment.
- **Contracted Service Providers:** Key contracted service providers relevant to the Manual include:
  - **Auditor:** The external Certified Public Accounting firm engaged to provide meet the Audit requirements as specified under ORS 196.240
  - **Financial Services Consultant:** A contracted service provider, providing expertise in budget, procurement, and financial management.
  - **Accountant:** A contracted service provider, providing accounting services including management of accounts payable and bill payment, bank account reconciliation, and transaction recording and monthly financial reporting.

**Commented [KH1]:** Include non-voting observers as well.

## Chapter 4 – Procurement and Contracting

### Objectives

The policies and procedures related to Procurement and Contracting are intended to:

- Delegate authority for procurement and contracting activity that balances the need for efficient operations with the need for proper oversight.
- Defines the Local Contract Review Board, per ORS 279A.060, for the Authority
- Ensure compliance with ORS 279 (A-C) and Attorney General Model Rules (OAR Chapter 137, Divisions 046-049).
- Ensure adequacy of appropriations to support procurement and contracting activity.

### Section 1 Delegation of Authority

#### Policy

Purchases, whether executed through Purchase Order (PO) or written contract, will require approval by action of the full board, unless specifically delegated under this policy. In an emergency, where a purchase is required before a meeting of the full board can occur, the President and Treasurer may approve the purchase and have this approval ratified by the full board at the next regular meeting.

Delegation of Authority.

- The Board President and the Board Treasurer are authorized to approve PO's or Contracts of up to \$100,000, and to approve amendments on existing PO's or contracts of up to the greater of \$25,000 or 25% of the original contract amount.
- The Executive Director is authorized to approve PO's or Contracts of up to \$25,000, and to approve amendments on existing contracts of up to \$5,000.

The Executive Committee of the Board will be designated as the Local Contract Review Board.

#### Procedures

Purchases that must be approved by the board will be approved at a regularly scheduled meeting of the board. Approval may be done under consent. Once the Board has taken action approving the purchase, the President, the Treasurer, or the Executive Director may sign the PO or Contract, or otherwise initiate the purchase.

Approval by the President and the Treasurer will be through the signing of the PO or the contract. If necessary, the approval may be through an email approval of a PO or contract authorizing the Executive Director to sign.

The Executive Director will only sign or otherwise initiate transactions that are either within his/her expenditure authority, or have been properly authorized in accordance with the delegation of authority.

## Section 2 Adoption of Model Rules and Exceptions

### **Policy**

The Authority will comply with Public Contracting Code as contained within ORS 279, 279A, 279B, and 279C. Unless otherwise specified in the Procurement Manual, the Authority adopts the Attorney General Model Rules for Public Contracting (Model Rules) contained within Oregon Administrative Rules (OAR) Chapter 137, Divisions 046 through 049.

The Procurement and Contracting Policy and Practices are included in the Willamette Falls Locks Authority Procurement Manual, adopted by the Governing Board July 21, 2023, and amended by the Governing Board \_\_\_\_\_, 2024.

### **Procedures**

Procedures are included in the Procurement Manual.

## Chapter 5 – Expenditures

### Objectives

The policies and procedures related to expenditures are intended to:

- Provide adequate internal controls, within the limitations of the Authorities staffing and systems, to safeguard assets from unauthorized expenditure or expenditures in excess of budgeted appropriations.
- Delegate authority for making expenditure that balances the need for efficient operations with the need for proper oversight.
- Ensure that expenditures are properly accounted for which includes
  - Proper classification of the nature of the expenditure to the correct object code (or asset or liability account) within the chart of accounts, and proper utilization of the corresponding appropriations,
  - Proper Class (Department) of expenditure
  - Proper accumulation of operating and capital project costs, and
  - Proper tracking of grant funded expenditures.
- Establish allowable methods of making expenditures and the proper controls within each method.
- Establish proper documentation requirements that meet IRS and audit guidelines

### Section 1 Delegation of Authority

#### Policy

Expenditures will require approval by action of the full board, unless specifically delegated under this policy. In an emergency, where an expenditure is required before a meeting of the full board can occur, the President and Treasurer may approve the expenditure and have this approval ratified by the full board at the next regular meeting.

Delegation of Authority.

- The Board President and the Board Treasurer are authorized to approve expenditures as follows:
  - If the expenditure is payment on a purchase, contract, or other obligation previously approved by the full Board, then the President and Treasurer are authorized to approve expenditures of up to \$250,000, or
  - For all other expenditures the President and Treasurer are authorized to approve expenditures of up to \$100,000
- The Executive Director is authorized to approve expenditures as follows:
  - Approve and sign purchase orders of up to \$2,500 per transaction
  - Approve and sign checks up to \$2,500 per transaction

- Approve and make expenditures using the Debit/Credit Card up to \$2,500 per transaction, with a monthly limit of \$10,000.
- Approve expenditures using ACH, EFT or electronic bill pay up to \$2,500 per transaction

No expenditure shall be artificially divided into multiple transactions for the purpose of keeping the amount of the expenditure below an authorization threshold.

### **Procedures**

Expenditures that must be approved by the board will be approved at a regularly scheduled meeting of the board. Approval may be done under consent. Once the Board has taken action approving the expenditure, the President, the Treasurer, or the Executive Director may sign or initiate the transaction.

Approval by the President and the Treasurer may either be through the direct approval of the transaction, such as signing the check or approving the electronic transfer of funds, or through an email approval of a request that contains the transaction details.

The Executive Director will only sign or otherwise initiate transactions that are either within his/her expenditure authority, or have been properly authorized in accordance with the delegation of authority.

## **Section 2 Allowable methods of making expenditure**

### **Policy**

Where allowable by vendors/contractors, and in accordance with the Procurement and Contracting Manual and subject to delegation of authority in Section 1 of this chapter, expenditures should be initiated by the use of a Purchase Order (PO).

The Board will approve issuance of debit or credit cards to designated individuals, who may use these cards to make expenditures where necessary. The Board may chose to delegate this approval to the Executive Director in the future for staff other than the Executive Director.

To reduce the potential for check fraud associated with paper checks, expenditures should be made using electronic means such as ACH, EFT, or E-checks whenever possible.

Expenditures may be made by paper check, subject to delegation of check approval and signing in Section 1 of this chapter.

Staff and Board Members may expend their own funds for Authority expenses and be reimbursed for these expenditures, but must receive prior authorization in accordance with the Delegation of Authority in Section 1 before making any expenditure.

## **Procedures**

Purchase Orders (PO's) will be created within QuickBooks to document purchase commitments or contracts. This will be completed whether or not vendors/contractors accept PO's as a means of initiating a transaction.

At this time only the Executive Director is authorized to have a debit or credit card for the conduct of Authority business. The use of the cards is limited to \$2,500 per any single transaction, or \$10,000 per calendar month. It will be the responsibility of the Executive Director to comply with these limits, even if the cards have these limits built in. Itemized receipts must be retained for all charges on the cards, and must be provided to the Contract Accountant no later than the end of each billing cycle for credit cards, or bank statement date for debit cards. Undocumented transactions may be the personal responsibility of the card holder.

The Contract Accountant or the Executive Director, will use bill pay features in QuickBooks to initiate payment of invoices. The initiation should be based upon the date the payment is due for the invoice. Approval of invoices for payment must be supported by the person with knowledge of whether the goods or services being billed have been received; at this time that will be the Executive Director.

Until approvals can be built in to QuickBooks work flow, or through established approvals at the Bank, the Executive Director will ensure that checks, ACH payments, or electronic bill pay transactions are properly authorized before initiating the expenditure.

Checks are currently manually written and the check stock will be maintained by the Executive Director in a locked cabinet or safe.

Requests for Expense Reimbursement (other than Travel and Meals which are covered below) must include documentation showing the date, the amount, and the nature of the expense. Documentation must also show pre-authorization of the expenditure.

## **Section 3 Approval , Review and Recording of Expenditures**

### **Policy**

Expenditures initiated through the use of a PO will be recorded in order to maintain a proper accounting of encumbrances.

Bills from vendors/contractors must be recorded in the accounts payable register in a timely manner to ensure that a proper accounts payable balance is maintained and bills are paid on time.

Proper accounting of an expenditure will be established at the earliest point of recording the expenditure; generally this will be, in order, through the recording of the PO, the accounts payable for the vendor/contractor billing, the debit/credit card transaction, or the payment (whether by check or electronic means). The proper recording will include:

- Proper classification of the nature of the expenditure to the correct object code (or asset or liability account) within the chart of accounts, and proper utilization of the corresponding appropriations,
- Proper Class (Department) of expenditure
- Proper accumulation of operating and capital project costs where applicable, and
- Proper tracking of grant funded expenditures.

Proper recording of expenditures will be periodically reviewed by the Executive Director or their designee.

To ensure board oversight of expenditure activity, given the limited staff available to provide segregation of duties, the following reports will be provided to the Board Treasurer monthly, or any other board member upon request:

- Monthly report of expenditures
- Monthly statement for all Debit or Credit Cards issued
- Copy of Monthly Bank Statement and Reconciliation

Outstanding checks or other payment that are over two years old will be handled in accordance with the Oregon Unclaimed Property laws.

#### **Procedures**

Purchase Orders (PO'S) will be generated from the QuickBooks system to ensure that the purchase commitments are recorded. The proper categorization and class of the purchase must be identified before the PO is created; this includes project and grant funding identification where applicable. Where applicable ensure that a W-9 is received from the vendor/contractor prior to issuing PO's or signing contracts.

Bills from Vendors/Contractors should be sent directly to the Contract Accountant, who will be responsible for recording them in Accounts Payable. Where bills are received by the Executive Director, or a Board Officer, they will be responsible for forwarding them to the Contract Accountant. Upon receipt of Bills the Contract Accountant will record them in the Accounts Payable Register, and maintain a record of payment due dates for all Accounts Payable Bills. The Contract Accountant will use the identified expense category from the PO to categorize the expense when entering the bill.

The Executive Director will periodically review the detail of the expenditure activity to ensure that expenditures are being properly categorized when recorded, and are within budget appropriations.

The Executive Director will be responsible for ensuring that the required monthly reports to the Board Treasurer (the monthly report of expenditures, the monthly debit/credit card statement, and the monthly bank statement and reconciliation) are prepared and provided to the Board Treasurer no later than the end of the following month. Other board members who request these reports should request them from the Board Treasurer.

The Executive Director and the Board Treasurer will monitor outstanding checks or other uncleared payments. Payments that are over 6 months old should be reviewed for reissue if necessary. Payments that are over 2 years old must be conveyed to the Oregon State Treasurer as unclaimed property.

## Section 4 Travel

### Policy

To ensure that reimbursement of travel expenses is not taxable to the recipient, payment for travel expenses will be done in a manner that complies with the Internal Revenue Services definition of an *accountable plan*. An accountable plan requires the following criteria to be met:

- All expenses were incurred while on official Authority business
- Expenses must be adequately accounted for in a reasonable timeframe
- All excess payments or advances must be returned in a reasonable timeframe

The primary basis for payment of travel related expense is per diem. Per diem is the daily amount allowed for lodging (excluding taxes), meals, and incidental expenses. Incidental expenses include all gratuities; therefore, employees are not separately reimbursed for gratuities or tips of any kind including, but not limited to, meals and transportation. Payment to individuals on travel status to cover meals and commercial lodging is based on the rates published by the U.S. General Services Administration (GSA) for domestic travel in the continental U.S. For Alaska, Hawaii, and U.S. Territories and Possessions, the per diem is based on rates published by the U.S. Department of Defense. For international travel, the per diem is based on rates published by the U.S. Department of State.

The mode of travel must be selected based on the overall cost relative to the time required. If a private vehicle is used then mileage will be reimbursed at the standard mileage rate published by the IRS. Air, Train, or any other mode of transportation will be reimbursed at coach class rates.

Travel must be pre-authorized by either the Board President or the Board Treasurer in order for the expenses to be eligible for reimbursement. These officers should consult with the Executive Director on appropriations available for travel before authorizing.

### Procedures



Meal Per Diem. The per diem meal allowance is a fixed amount of reimbursement for a meal. It is not reimbursement for the actual costs incurred. Receipts are not required for meals if claiming per diem. Travel expenses must not be claimed prior to travel taking place and individuals must be in travel status to receive a meal allowance.

Occasionally, individuals may be reimbursed for actual costs. For example, when individuals attend an official Authority business meeting where the meal is an agenda item but not included in the fee and the selection and cost of the meal are beyond the control of the individual, the reimbursement will be for the actual cost of that meal. Proper documentation of the cost must be provided. Cost of alcohol will never be reimbursed.

Meal per diem allowances for overnight travel are based on where the related lodging takes place. Even when a traveler is eligible for reimbursement of actual meal costs, any purchases of alcohol shall not be reimbursed.

Meals included as part of the registration fee(s) for a conference, seminar, etc., must be subtracted from the individual's daily meal per diem based on the per meal amounts that comprise the total daily per diem.

Lodging Expenses. Lodging expenses are reimbursed at actual cost up to the specific daily maximum allowable lodging rate in effect at the time of travel for the specific area or locality. Lodging taxes, credit card surcharges, and "hospitality" or "resort" fees are not included in the continental U.S. per diem rates, and therefore, these items paid by the individual are reimbursable as a miscellaneous travel expense. Receipts are required for lodging and associated miscellaneous expenses.

Exceptions to the published lodging per diem rates are allowed. Exceptions to lodging rates must be accompanied by documentation and receipts. For example, if personnel attend a conference or meeting and stay at an official hotel/motel, as defined in the conference or meeting registration or agenda for that conference or meeting, and the lodging cost exceeds the per diem for that location, the reimbursement of actual lodging expenses is allowed. Any such exception must be noted in the Travel Pre-authorization request and be properly authorized as part of the travel authorization. Any approval to exceed lodging rates is to be made on a case-by-case basis, and thoroughly documented for audit purposes.

Pre-authorization Requirements. Until a Travel Pre-authorization form is developed, pre-authorization may be done by email. The email pre-authorization request must include the following information:

- Name of the individual(s) traveling
- Destination of travel
- Dates of travel
- Purpose of the requested travel (including benefit to the Authority)

- Estimated costs of the travel (itemized between categories such as Transportation, Lodging, Meals, and Miscellaneous cost). Where possible attach documentation of the estimated costs.

Documentation Requirements. Receipts for lodging, lodging taxes, and surcharges on lodging are required.

Receipts for meals are not required if the traveler is claiming the meal per diem.

Receipts for meals are required if an individual is requesting reimbursement for actual cost rather than the per diem amount under the exceptions noted above. A credit/debit card payment slip does not constitute a receipt. A receipt should include the vendor, amount, date and itemized description of the item or items purchased.

Use of Authority Debit or Credit Card. Individuals who carry an Authority Debit or Credit card may pay for travel related expenses with this card rather than paying with personal funds and being reimbursed, provided that the travel is properly preauthorized. Proper documentation of travel costs, including the preauthorization, must be provided to the Contract Accountant within 2 weeks of the completion of the travel event.

## Section 5 Non-travel Meals

### **Policy**

To ensure that reimbursement of non-travel meal and refreshment expenses is not taxable to the recipient, payment for these expenses will also be done in a manner that complies with the Internal Revenue Service's definition of an *accountable plan*.

Meals while not traveling, such as meals with meetings, must be substantiated using the actual expense method.

### **Procedures**

A request for reimbursement of non-travel meals or refreshment costs, or payment with an Authority debit or credit card, will require the same level of documentation as travel related meals paid on an actual cost basis. In addition, the documentation must include the clear business purpose of the meal or refreshment expenses. Generally, this will include the purpose and attendees of the meeting where the meals or refreshment costs were incurred. If available a meeting agenda should also be included.

## **Proposed Resolutions**

Willamette Falls Locks Authority Board Meeting  
Wednesday, February 28, 2024

**WILLAMETTE FALLS LOCKS AUTHORITY**

**RESOLUTION NO. 2024-01**

**A RESOLUTION ADOPTING THE WILLAMETTE FALLS LOCKS  
AUTHORITY PROCUREMENT MANUAL AS REVISED**

**WHEREAS**, the Willamette Falls Locks Authority is organized under ORS 196.205 as a Public Corporation; and

**WHEREAS**, ORS 196.205(2) states the authority is a contracting agency for the purposes of ORS chapters 279A, 279B and 279C; and

**WHEREAS**, By-laws for the authority, Section 17, state the Authority shall maintain, review, and approve policies regarding contracting, financial stewardship, and budgeting on all matters regarding the conduct of the Authority, including funding approaches, records, and strategies; and

**WHEREAS**, the members (Board) of the Willamette Falls Locks Authority, on July 26, 2023, approved an initial version of the WFLA Procurement Manual, which included designation of the Board as the Local Contract Review Board; and

**WHEREAS**, the authority desires to make changes to the procurement manual by adopting a revised version of the WFLA Procurement Manual.

**NOW THEREFORE**

**THE MEMBERS OF THE WILLAMETTE FALLS LOCKS AUTHORITY  
RESOLVE AS FOLLOWS:**

The authority members, acting as the Local Contract Review Board adopt the WFLA Procurement Manual as revised February 2024.

**APPROVED AND ADOPTED BY THE MEMBERS OF THE WILLAMETTE  
FALLS LOCKS AUTHORITY** this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
, Chair

\_\_\_\_\_  
, Secretary