



Meeting URL: <https://sowib-org.zoom.us/j/81927714815?pwd=N2JEQTNkcHN1amF0MlY0cE9Kb3J2Zz09>

Meeting ID: 819 2771 4815

Passcode: 499820

MINUTES

1. Call to Order and Confirmation of Quorum

| | | | | | |
|---|--------------------------|---|---------------------|---|-------------------------|
| | Dr. Gray (B) | | Jason Traylor (B) | X | Andy Owens (B) |
| | Robert Westerman | X | Ben Messner (B) | X | Mike Hicks |
| X | Joe Benetti (B) | X | Debbie Sargent | X | Susan Ray (B) |
| | Dave Sanders (B) | | Ali Mageehon | X | Brian Prawitz |
| X | Rhonda Amer (B) | | Amy Kincaid | X | Chris Guastaferrero (B) |
| | Anna Martin (TBD) | X | Marie Simonds (B) | | Rachel Pokrandt |
| X | Laura McKeane (B) | | | | |

Names in red -unable to attend, prior notice given.

The meeting was called to order at 12:04 pm by Joe Benetti. 11 of the 19 members (excluding vacancies) were present, making up 64% of the total members. Of the 64%, 72% represent Businesses.

2. INTRODUCTION OF NEW BOARD MEMBERS/CURRENT OPENINGS

No new board members currently.

3. PUBLIC COMMENT SESSION: Members of the public may now comment on any matter posted on this Agenda, which is before this Board for consideration and action today. Please clearly state and spell your name and state your address for the record. Each public comment will be limited to three (3) minutes.

No public comment was presented.

BOARD ACTION ITEMS

4. DISCUSSION AND POSSIBLE ACTION: Consent Agenda (Approved with One Motion)

- Meeting Minutes – February 15th, 2024

Motion to approve minutes and consent agenda made by Andy Owens and seconded by Debbie Sargent. The motion carried unanimously.

STANDING REPORTS

5. INFORMATION: Finance Update; Yolanda Brumfield

Fiscal Year Financials and Budget Process

Yolanda presented the financials for the fiscal year ending March 31, 2024, highlighting a \$40,000 increase in property and equipment due to the purchase of job simulators. She also noted a significant increase in deferred revenue, which represents advanced funding from grants that have not yet been earned. Kyle clarified the budget process, emphasizing that the allocation of federal funding was still pending and that the budget needed to be approved by county commissioners and the board by June 30. The team agreed to address any further questions during the next budget meeting.

Organization's Financial Status and Challenges

Yolanda presented the organization's financial status, highlighting a decrease in total revenue from 6.6 million to 5.6 million between the previous and current year. She explained the reason for this decrease was due to the accounting treatment of advanced funding received last year, which was not yet earned and is expected to balance out in future financial statements. Yolanda also noted a discrepancy between the available unrestricted cash and the projected recovery for the year, emphasizing a need to speed up program activities. Delays in funding for some programs and grants were identified as a significant issue contributing to the current financial position.

Budget Concerns and Workforce Standards

Yolanda explained that she needed to project the last quarter of the current year and into the next fiscal year to determine if they would be underspending. Joe expressed concern about the current budget deficit and how they would cover the interim. Yolanda assured him that this would be a topic for a better conversation at the next meeting. Marie queried about the 10% standard leave among workforce boards, which Yolanda and Kyle confirmed was the standard across the board for Oregon.

Budget Review and Youth Program Improvements

Yolanda presented the budget and expenses for the organization, highlighting a discrepancy between budgeted and actual operating expenses due to unanticipated expenses and incorrect categorization of some expenses. Kyle explained that a large portion of the activity happened in the last quarter, which impacts the budget. Joe and Yolanda discussed the need to review the budget for the remaining quarter. Kyle pointed out a persistent issue with the 'youth' funding program, where the allocated funds remained unspent due to difficulties in reaching out to the target group. He emphasized the need for a strategy to effectively reach more participants in this program.

Team Size Reduction and New Hires Discussed

Kyle announced that the team size would be reduced to around 19 next year due to budget changes and the completion of some programs. New hires, including Sara Stevens as the new deputy director, were introduced. The Early Learning Hub experienced significant growth, with an estimated increase in spending of \$700,000 next year due to new grants and programs. Laura inquired about the effect of these changes on Sara's role, which Kyle clarified would not affect her involvement with the Early Learning Hub.

PRESENTATIONS

6. SOWIB 2024 Audit Review-Lonnie Rich

Financial Statement and Compliance Audits Review

Lonnie presented the results of the financial statement and compliance audits conducted for the organization in 2022 and 2023. He reported that the audits, which included new programs and those exceeding the Federal expenditure threshold, resulted in a modified opinion indicating the organization's financial statements and disclosures fairly represented its financial position and results of operations for both years. Lonnie further shared that the organization's revenue and expenses significantly increased in 2023, resulting in a positive net profit of around 5.1 million. He also provided an in-depth analysis of the organization's financial statements, highlighting significant swings in cash flow, subsidiary ownership, and the use of the de minimis 10% cost rate for Federal awards.

Organization's Audit Results and Risks

Lonnie shared the results of the organization's federal and financial statement audits. The audits, conducted in accordance with professional standards, found no significant deficiencies or material weaknesses in the organization's processes or internal controls. Lonnie also noted that the organization has a clean record with federal audits, designating it as low risk. The auditor emphasized the importance of maintaining independence and professional skepticism, and highlighted potential risk areas, such as disbursements and revenue recognition. No unusual transactions or difficulties were identified during the audit process.

Andy Owens proposed a motion to approve the audit report as presented. Mike Hicks seconded the motion. The motion carried unanimously.

The public meeting concluded with Joe Benetti facilitating the transition into an executive session. Tina Carpenter organized the transition, requesting that board members remain, and all staff and guests disconnect from the Zoom session to maintain confidentiality.

7. Executive Session: Kyle Stevens

- To consider information or records that are exempt from disclosure by law, including written advice from your attorney. ORS 192.660(2)(f).
- To consult with your attorney regarding your legal rights and duties in regard to current litigation or litigation that is more likely than not to be filed. ORS 192.660(2)(h).
- To review and evaluate the performance of an officer, employee or staff member if the person does not request an open meeting. This reason for execution session may not be used to do a general evaluation of an agency goal, objective or operation or any directive to personnel concerning those subjects. ORS 192.660(2)(i) and 192.660(8).

8. Adjournment

Joe Benetti officially adjourned the meeting at approximately 12:53 PM PST.

Meeting Calendar Available at www.SOWIB.ORG