

Friday, September 15, 2017
Local Government Center

OSBA Finance Committee members in attendance at meeting start: OSBA President Betty Reynolds, OSBA Vice President Tass Morrison, OSBA Secretary-Treasurer Don Cruise, Jami Egland, Yamhill-Carlton board chair, John Lang, High Desert ESD board member, Russ Allen, Business Director, Greater Albany School District

OSBA staff in attendance at meeting start: Deputy Executive Director Mary Paulson, Director of Operations and Finance Mike Robison, and PACE Administration Assistant Pam Mullen

OSBA Guests via conference call: Samuel Lee

Absent: Jim Green, Craig Prewitt, Mike Doherty

OSBA Finance Committee Chair Don Cruise called the meeting to order at 2:01 p.m.

I. Welcome and Introductions

All attendees introduced themselves, including new committee members Jami Egland and John Lang.

II. Approval of minutes

A. March 17, 2017 meeting

Motion: OSBA board member Tass Morrison moved the committee to approve the March 17, 2017 Finance Committee meeting minutes; seconded by Betty Reynolds.

The committee voted on the motion and it passed unanimously.

III. Investments and finances

A. Investment portfolio and performance

Mike Robison gave a brief report on investment performance. He said OSBA has had good returns for five years with last year having the strongest performance. He said the Stop-Loss program has made a big difference because it protected us from greater loss.

Mike also reported, that with his retirement, there will no longer be a requirement for two key staff members to vote to make an investment change. Brent Peterson at RBC will be responsible for discretionary investing going forward. Betty Reynolds asked about policy concerning this and Mike said that this change is still

within the OSBA policy guidelines. Mike said there will still be regular communication between his replacement and RBC.

Jim Green entered the meeting at 2:19 p.m.

Betty asked about safeguards and Jim Green responded that they have checked with our auditors and investment firms about best practices going forward.

Jim Green exited the meeting at 2:24 p.m.

Don Cruise asked how the Stop-Loss works and Mike said there is a dollar amount that is used as a warning to sell when a stock drops to a certain point. John Lang asked in an overall market drop if there are any hard stops. Mike answered that there isn't because we could end up with over \$30 million to have to reinvest. He added that the reason OSBA has invested in large cap and dividend paying stocks is that we would still be able to maintain our base level of income in the event of large drops in the market.

B. 2016-17 Audit Update

Mike reported that the auditors have finished their field work and have thus far expressed no concerns. Betty asked when they will issue their findings and Mike answered that the report would come out in mid-December.

C. 2016-17 Fiscal Year-End Update

Mike began by saying that based on June financials, OSBA operating revenues exceeded our budgeted revenues by \$1.3 million and our non-investment revenues exceeded budget by \$133,000. We saw an increased demand for services in board development and policy. There was also increased demand for pre-loss assistance. Operating expenses were below budget by \$400,000. Russ Allen asked if the \$125,000 contingency was included in the \$400,000 and Mike said it was. Revenue greater than expenses and net income was over budget by \$1.7 million. OSBA reinvested \$ 2.8 million of realized gains in the portfolio. Revenue over expenses in Operations was \$2.4 million. Revenue over expenses including unrealized losses was \$1.7 million. Our ending fund balance increased from \$85.2 million to \$87.3 million.

D. Current financial report

Mike reported that through July we had \$2.3 million total revenues. We had \$1.6 million in revenue over expenses by the end of July. Mike added that OSBA gets most of its dues in July.

Mary Paulson exited the meeting at 2:45 p.m.

IV. Request for budget adjustment

Mike said OSBA is requesting a budget adjustment to hire a full time PACE administrator. He added that due to demand, PACE would also like to add another pre-loss attorney to do training.

Mary Paulson entered the meeting at 2:50 p.m.

Motion: Russ Allen moved to accept the budget adjustment to be presented to the board as approved by the committee; seconded by Tass Morrison.

The committee voted and it passed unanimously.

V. New Business

There was no new business.

VI. Adjourn

Don Cruise adjourned the meeting at 3:00 p.m.