Budget & Audit Committee Minutes
Tuesday, March 22, 1:03 p.m. to 2:40 p.m. **|** Zoom Meeting

Members: Melanie Lewis, Nate Rivera, Micah Brown, Josh Thomas, and Kitty O'Keefe
Guests: none

1. **Announcements and Introductions**

   a. Melanie called the meeting to order at 1:03 p.m. and introductions were made.
   b. A motion from Nate was made to approve minutes from 11.09.21 and seconded by Melanie. Kitty to post on website.

2. **New Business**

   a. Revenue Review
      i. Melanie shared she had a meeting last week with Scott Gallegos at OCC. Discussed issue: outgoing tickets are down and have been for years. This is a constant problem; appx 1% each year since 2016.
      ii. Melanie asked, how do we increase our revenue?
      iii. Nate shared the mapping techniques help narrow it down, driving down our outgoing ticket volume. We save customers money in the end because of precision & accuracy.
      iv. Melanie is suggesting a ticket increase + introduce a membership fee.
      v. Melanie created a spreadsheet showing potential yearly member account dues. (See attachment 1)
      vi. Nate agrees this makes sense as we have more fixed costs. Suggested a tiered structure; staggered based on # of tickets to offset the smaller accounts. Could charge a monthly fixed charge + ticket charge = their bill.
      vii. Micah commented, the OUNC cannot charge extra fees, only fee through a per call basis. 757.552 2(b) thus deciding to increase ticket only not add a yearly fee.
      viii. Nate suggests we ask One Call Concepts for a Rate Impact Analysis. Melanie will contact Scott with this inquiry.
      ix. Josh was asked to provide a projected 2023 Budget. (Recapture revenue requirements)
      x. Recommendations to bring to the full board: Increase ticket cost to $1.35 by July of 2022. Send out a notification in May to members; time given for feedback.
      xi. Recommend to the full board: effective January 1, 2023 – increase ticket cost to $1.38/$1.40 per ticket. Be ready to review statue

   b. Financial Audit Process
      i. Reviewed Josh's Audit/financial review process (See attachment 2)
      ii. Josh has contacted the following firms via email: Aldrich, Moss Adams and Hoffman, Stewart and Schmidt, PC.
      iii. Discussion followed on using Competitive Bid Process.
      iv. Next steps to get this going - put proposal together to include scope of work, questions, and evaluation process.
      v. May 30, 2022 – deadline for submission from firms contacted.
      vi. Josh will contact Joyce Nelsen for prior evaluation process the OUNC has used.
      vii. Nate suggested contacting DOJ for existing template.

3. **Old Business**

4. **For the Good of the Order**

5. Next Meeting

a. Scheduled: Monday, April 11, 2022, at 3pm
    i. Tentative - April 20, 2022

6. For the Good of the Order

Meeting adjourned at 2:40pm Minutes submitted by Kitty O'Keefe 4.23.22

A	B	C	D	E
Potential Yearly Member Account Dues				
Yearly Fee Per Membership	$ 100	$ 125	$ 150	$ 200
Statute Bound Per Membership	120			
Eligible Members Per Membership	1025			
Revenue from Membership	$ 102,500	$ 128,125	$ 153,750	$ 205,000
Total w/projected outgoing ticket 1.20	$ 2,422,832	$ 2,422,832	$ 2,422,832	$ 2,422,832
Budget	$ 2,654,781	$ 2,654,781	$ 2,654,781	$ 2,654,781
Total	$ (129,449)	$ (103,824)	$ (78,199)	$ (26,949)
Potential Yearly Member Code Dues				
Yearly Fee Per Account Code	$ 100	$ 125	$ 150	$ 200
Statute Bound Per Account Code	120			
Eligible Members Per Account Code	1190			
Revenue from Account Code	$ 119,000	$ 148,750	$ 178,500	$ 238,000
Total w/projected outgoing ticket 1.20	$ 2,422,832	$ 2,422,832	$ 2,422,832	$ 2,422,832
Budget	$ 2,654,781	$ 2,654,781	$ 2,654,781	$ 2,654,781
Total	$ (112,949)	$ (83,199)	$ (53,449)	$ 6,051
Combined Potential Yearly Member Account Dues AND Ticket Increase				
Yearly Fee Per Membership	$ 100	$ 125	$ 150	$ 200
Statute Bound Per Membership	120			
Eligible Members Per Membership	1025			
Revenue from Membership	$ 102,500	$ 128,125	$ 153,750	$ 205,000
Total w/projected outgoing ticket Increase	$ 2,422,832	$ 2,523,784	$ 2,564,164	$ 2,604,545
Budget	$ 2,654,781	$ 2,654,781	$ 2,654,781	$ 2,654,781
Total	$ (129,449)	$ (2,872)	$ 63,133	$ 154,764
Potential Yearly Member Code Dues AND Ticket Increase				
Yearly Fee Per Account Code	$ 100	$ 125	$ 150	$ 200
Statute Bound Per Account Code	120			
Eligible Members Per Account Code	1190			
Revenue from Account Code	$ 119,000	$ 148,750	$ 178,500	$ 238,000
Total w/projected outgoing ticket increase	$ 2,422,832	$ 2,523,784	$ 2,564,164	$ 2,604,545
Budget	$ 2,654,781	$ 2,654,781	$ 2,654,781	$ 2,654,781
Total	$ (112,949)	$ 17,753	$ 87,883	$ 187,764

OUNC BOARD BRIEF
#22-03-0008

SUBJECT: Audit/financial review process

DATE: March 2, 2022

PREPARED BY: Josh Thomas, Executive Director

BACKGROUND

According to our Policy and Procedures Manual, section 3.10.1., “Oregon Utility Notification Center should contract for an independent review to be performed by a Certified Public Accountant (CPA) at the conclusion of every three (3) years but should not exceed five (5) years.” Per 3.10.2., “The auditor(s) will test accounting mechanisms in accordance with generally accepted auditing standards for not-for-profit organizations and as contractually required by funding sources.”

The last financial review was conducted by Aldrich in 2019 for the 2018 fiscal year. To stay on track, we have until the end of 2023 to complete the 2022 audit/review. Our organization has undergone a lot of changes in the past year. Besides meeting the terms of our requirement, we want to provide assurances to our board and stakeholders that we have the right systems and controls in place moving forward.

We met with experts from accounting firm Wicks Emmett to discuss the pros and cons of performing a financial audit versus a financial review, and there are pros and cons. While the audit is significantly more costly, involved and time consuming, it also takes a deeper dive into our finances and accounting practices to provide actionable guidance and advice for areas of compliance or improvement. The process would include a full report to the board at the conclusion of the audit.

STATUS

We are in the initial stages of identifying firms that are able to perform a financial audit (or review) for us. I budgeted $12,000 for audit and legal for 2022. While this may not be enough for a full audit, we may be able to pull from other areas to bump this up if one of the firms can get close to that amount. If not, we could push this process back to budget for it in 2023. My preference is to proceed this year, so we can correct any identified issues and use the advice to get better systems and practices in place.

Per ORS 279A.025(3)(j) the Oregon Utility Notification Center is among the agencies exempted from following the Public Contracting Code, so we are not required to put out a formal RFP for anything besides the call center contract. As we found with Wicks Emmett determining that they would not be qualified to perform our audit, there are select firms with the experience and expertise to perform this service for us. Instead of casting a wide net and having to sort through firms who may not be qualified, I believe we should target the ones that we know are familiar with Oregon and organizations like ours.

In our competitive process, we will maintain transparency and document objective reasons/analysis for selecting the vendor and how they provide the best value against comparisons.

NEXT STEPS

We are in the information gathering phase and while we are targeting 2022 for this project, depending on price and other factors we may be willing to look at 2023. Many of the firms qualified to perform the audit are currently focused on filing taxes for their clients, so we can use this time to determine exactly what we are asking for.

This is what I propose for next steps:

- Explore capabilities and availability of at least three firms qualified to perform our audit. At present, these include:
    - Aldrich
    - Moss Adams
    - Hoffman, Stewart and Schmidt, PC
- After information gathering phase, discuss in committee/board:
    - Choosing an audit over a financial review, expected cost
    - Pursuing a competitive process rather than a formal RFP
    - Presenting a timeline for proceeding
- After April 18, send a formal or informal RFP to the firms listed above and/or others who may be qualified.
- Score responses on criteria and decide which firm to proceed with.
- If costs allow, proceed with selection process. If not, defer to 2023 and notify respondents.
    - Meet with TBC in advance to discuss process and preparations to help the process go smoothly.
- After estimated 2-3 week audit process is complete, review findings and schedule a report and Q&A for the board