



COG Meeting Minutes
December 6, 2024

Members present: Commissioner Arne Mortensen, Commissioner Dan Cothren, Commissioner Richard Mahar

Members present by phone/Zoom: Commissioner Lori Zoller

Members absent:

Members Excused: Councilor Sue Marshall

Alternates present:

Staff present: Mike Reardon, Claire Steiner, Karen Wolfe, Lois Chauncey, Christina Marnaris

Advisory Council member present:

Visitors present: Matt Gustofson, Mertie Duncan, J. Girard, Rene Scarcella, Carmen Garcia-Allen, Terry Kinsey

The meeting was called to order at 1:03 p.m. by Commissioner Mahar.

The Pledge of Allegiance was recited.

1. Agenda Review: Mike asked to delete the motion to approve the Lease for the new Longview office since it is not ready yet. Mike will report on status later in the meeting.

2. Review of Minutes: Commissioner Mortensen moved to approve the September 27, 2024 minutes. Commissioner Cothorn seconded the motion. Motion carried.

Commissioner Cothren moved to approve the October 14, 2024 minutes. Commissioners Mortensen and Zoller seconded the motion. Motion carried.

3. Public Comment (3-minute limit): Matt Gustofson retired a year ago and stated he is sad he left before the anniversary recognition items were upgraded.

4. Anniversary Recognition. Mike recognized Mertie Duncan, for her ten years with the agency. Mertie stated she is grateful for the benefits, management and her co-workers.

Mike recognized J. Girard for his ten years with the agency; J stated it's been an extreme pleasure, and each year has been better than the last. He especially appreciates how the benefits have improved.

Mike recognized Rene Scarcella for her fifteen years with the agency. Rene stated it's been a pleasure and "thank you" for having her. She reported she loves her clients.

Mike recognized Carmen Garcia-Allen for her fifteen years with the agency. Carmen stated she loves her team and AAADSW is the best place to work. She is especially thankful for how

everything went seamlessly when she had to take time off earlier this year. She further reported the supervisors are great.

Mike recognized Terry Kinsey for his fifteen years with the agency. Terry stated that prior to joining AAADSW he spent 7.5 years working for CPS; he came to believe that children should remain with their parents. His AAADSW clients are happy to see him and always say hello when he sees them out in the community Jen Sibley, twenty years; and Trisha Hilton-Orth, twenty-five years.

Jen Sibley celebrated twenty years with the agency but was unable to attend the meeting. She sent the following remarks to be read into the minutes: "I want to thank you all for your commitment and work to make AAADSW an agency I am proud to be a part of for the 20 years I have worked here. I know it takes time and dedication to make sure that AAADSW is able to serve our clients in the best way possible. I have been lucky to work with so many amazing individuals, both clients and colleagues over the years. I am grateful to be a part of AAADSW and look forward to continuing to do what I can to make a positive impact in my client's lives. As an employee I want to express my sincere appreciation for all your dedication and support over the years. We would not be able to do the work that we do without your ongoing support. Thank you."

Trisha Hilton-Orth celebrates twenty-five years with the agency and was unable to attend as today is her day off.

5. Advisory Council: Christina Marneris reported at the November meeting the Advisory Council elected their 2025 officers. She also reported on the ongoing advocacy of the mobile home parks.

6. Review of Financials. Claire reviewed the September and October 2024 payments of \$2,014,305 and \$2,747,590 respectively. September contractor invoices were lower than usual due to timing. October had a catchup for subcontractor invoices going back to July.

Commissioner Mortensen moved to approve the September and October 2024 payments of \$2,014,305 and \$2,747,590 respectively. Commissioner Cothren seconded the motion. Motion carried.

Claire reported on the July balance sheet. Assets exceed liabilities. Claire reviewed the July revenues and expenditures. Revenues are over budget, expenditures are under budget. Commissioner Mortensen noted other agencies could learn a few things from how we manage our money.

Claire reviewed the July 2024 dashboard pages. July was a good month due to new state contract for the year. Uptick in caseloads for TXIX and Community Services. YTD expenditures by type – 66% are related to wages, taxes and benefits, 25% is subcontractors. Cash payments by type YTD shows the catchup in October. Fund balance is growing. Commissioner Mortensen asked if Mike would address that later in the meeting: YES. Medicaid revenues look good. Good trend with smaller losses in July for non-government expenditures. Revenue by type – Claire described the different categories.

7. Updated 2024 Internal Operating Budget. Claire presented the updated 2024 Internal Operating Budget. The changes were to bring us up to actuals and projected for the last half of the year. Received additional monies for WACares. TXIX rate increase. Decreased insurance revenue due to trends.

Commissioner Cothren moved to approve and accept the updated 2024 Internal Operating Budget. Commissioner Zoller seconded. Motion carried.

8. 2025 Internal Operating Budget. Claire presented the 2025 Internal Operating Budget. Claire made some adjustments to how the numbers are stated. Decrease in Federal funds due to the ARPA funds being spent down. Increase in State/federal due to increased TIXIX rate and WACares. Insurance will stay flat. \$300k+ in interest earned since July of 2024. Unsure what will happen to the interest rates going forward. Expenses include staffing assumptions with FTE of 209.98 for the Area Plan 2025 update. Also calculated for inflation assumptions. Commissioner Mortensen asked if the expenses will go up in 2025. Claire answered that some of the funding that we had in 2024 will not carry forward in 2025 and the funding was earmarked for a specific purpose (nutrition) and we subcontracted those out to local services. Commissioner Mortensen stated it seems we spent the money because we had it not because we needed it. Mike responded we were required to spend the money. Mortensen asked if we were allowed to refund the money. Mike responded yes, we could have.

Commissioner Cothren moved to approve and accept the 2025 Internal Operating Budget. Commissioner Zoller seconded. Motion carried.

9. 2025 Area Plan Budget. Claire presented the 2025 Area Plan Budget. Minimal change in the federal contracts with only a small net increase. Small net decrease in the state//federal contract due to MAC/TSOA contract not in place yet. We still have hospital surge money left from ARPA that we can spend. The state contract had one-time funding for senior nutrition that is now exhausted. Commissioner Zoller asked if there are any plans to make up the lost funding for nutrition. Yes, W4a is advocating for it in 2025 and it's a priority. Internally, we are looking at possibly using Fund Balance dollars. Historically we have used fund balance to make contractors whole for nutrition and transportation. Christina added they are working with Skamania and Klickitat on this issue. Area plan staffing is 209.98 FTE

Commissioner Cothren moved to approve and accept the 2025 Area Plan Budget; Commissioner Zoller seconded. Motion carried.

10. Resolution #2024-5. Claire presented Resolution #2024-5 to open an escrow account with U.S. Bank for buildout expenses of the new Longview office. Claire explained that the new landlord has asked for an escrow account for the purposes of improvements in the new space. We will reimburse when the landlord requests it, from the escrow account. We will fund the account in \$200k increments. Any interest earned will come back to us. Commissioner Mortensen asked who had access to the account. Both us and the landlord need to approve any reimbursements. The fine detailed instructions will be in place.

Commissioner Mortensen moved to approve #Resolution 2024-5, to open an escrow account With U.S. Bank for buildout expenses of the new Longview office. Commissioner Cothren seconded. Motion carried.

11. Resolution #2024-6. Claire presented Resolution #2024-6 to increase the payroll account minimum balance. Claire explained that with COLA occurring in 2025 that we need to increase the payroll account. Mike noted we are also close to fully staffed which has increased payroll. Commissioner Mortensen asked how we determine the right number. Claire stated she likes to keep about \$10k more than payroll costs so we don't have a shortage.

Commissioner Cothren moved to approve #Resolution 2024-6, to increase the payroll account minimum balance. Commissioner Zoller seconded. Motion carried.

12. Resolution #2024-7. Claire presented Resolution #2024-7 to update the USBank Master Services Agreement. Mike explained the need for this resolution which is required by the bank. Commissioner Cothren has agreed to be the vice chair for 2025-2026.

Commissioner Cothren moved to approve #Resolution 2024-7, to update the USBank Master Services Agreement. Commissioner Mortensen seconded. Motion carried.

13. State Auditor's Office audit of AAADSW's 2023 Financials. Claire asked the COG to approve the State Auditors office report, presented at the September 27, 2024 COG meeting. Commissioner Mahar congratulated Claire on the successful audit.

Commissioner Cothren moved to approve and accept the State Auditor's Office report of their recent audit of AAADSW's 2023 financials. Commissioner Mortensen seconded. Motion carried.

14. GASB Report. Claire presented the GASB report. No new GASBs for 2025. Two in 2024, #100, disclosure for changes and errors correction, and #101 requiring accounting of compensated absences.

15. Director's Report (Information)

- Mike updated the COG on the lease negotiations regarding the Longview office. The landlord doesn't want to put it out to bid until the lease is signed. Mike doesn't want to sign the lease until we know what the buildout costs will be. He conferred with the architect and was told a much higher number than the property manager. More like \$100-\$150 per square foot. Total \$900 – \$1.25M, which puts us way over budget. So, the decision is to lease less space. Since we are providing a more flexible work schedule and more days working from home, we will need to be more creative with workspace. We will cap the bids in the lease so we have an automatic out. Previously we were going to lease 9,700 SF now we will cap it at 6,500 SF. We have 7,800 SF currently in our existing space. Commissioner Zoller shared that they recently had a similar situation. Commissioner Mahar reminded the COG that this is prevailing wage.
- Contracts Report – nothing new or unusual. Kudos to the Contracts team for all the monitoring this year.
- Management Team Calendar report.
- Communications Report.

- State Deficit report – notification of State deficit and hiring/spending freezes. It affects us by meaning that no new contracts will have general fund state only contracts. Our current contracts are safe, but renewals may be affected. Unknown at this time what the financial impact will be. We are currently looking at contingency planning.
- Fund Balance – AL TSA is putting more pressure on AAAs as to how much fund balance they can hold and want AAAS to reduce their FB. Spending plan is due 3/31/25 and spending plans for emergencies. W4a has hired a law firm to push back on the State's interpretation and understanding of what the State is trying to do.

The meeting was closed to the public in accordance with [RCW 42.30.140](#)(4)(a) for the Human Resources Manager to report on the ongoing union contract negotiations.

The meeting resumed.

Mike asked for an amendment to the agenda to remove the COLA agenda item. Commissioner Mortensen moved to amend the agenda. Commissioner Cothren seconded. Motion carried.

17. SOPPADA 2024-5 Amendment to the Longevity Pay Policy. Mike presented SOPPADA #2024-5, to amend the Longevity Pay Policy.

Commissioner Cothren to approve SOPPADA # 2024-5 amending the Longevity Pay Policy. Commissioner Mortensen seconded. Motion carried.

18. 2025 COG Activities. Mike presented the 2025 COG Meeting schedule for approval.

Commissioner Cothren moved to approve the 2025 COG Meeting Schedule as presented. Commissioner Zoller seconded. Motion carried.

19. Executive Session. The COG adjourned to Executive Session at 2:45 p.m. to discuss the Executive Director's Annual Performance review.

The COG reconvened from Executive Session at 2:54 p.m.

20. Commissioner Mahar reported on the results of the executive director's annual performance review. Mike has done a great job and Commissioner Mahar hopes he continues with the agency

Commissioner Cothren moved to approve Executive Director Mike Reardon's performance review with a one-step increase (from Step H to Step I) effective December 16, 2024. Commissioner Mortensen seconded. Motion passed.

21. Good of the order. Recognition of outgoing COG Members Commissioners Mahar and Mortensen. Mike thanked both for their commitment to the agency, running efficiently, challenging our thinking, and wished them a happy retirement. Commissioner Mortensen thanked Commissioner Mahar for leading the COG.

22. Adjourn. There being no further business, **Commissioner Cothren moved, and Commissioner Mortensen seconded to adjourn the meeting. Motion carried.** The meeting was adjourned at 2:59 p.m.