

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
FINANCE COMMITTEE MEETING MINUTES
March 16, 2017**

MEMBERS: Mayor Sharon Konopa, Albany; Commissioner Anne Schuster, Benton County; Mayor Biff Traber, Corvallis; Councilor Bob Elliott, Lebanon; and Bob Daley, Senior Services Advisory Council (SSAC) Chair.

STAFF: Executive Director Fred Abousleman; Deputy Director Lydia George; Finance Director Sue Forty; Community and Economic Development (CED) Director Phil Warnock; Senior and Disability Services (SDS) Program Manager Randi Moore; and Administrative Assistant Jennifer Kelley.

GUESTS: Auditors Glenn Kearns and Kori Sarrett, Accuity.

The Oregon Cascades West Council of Governments' (OCWCOG) Finance Committee Meeting was called to order by Chair Bill Hall at 1:22 pm on March 16, 2017 at the Cascades West Center in Albany.

1. Minutes of the Previous Meeting

Councilor Bob Elliott motioned to approve the minutes of the January 19, 2017 Finance Committee meeting, Mayor Sharon Konopa seconded. Motion passed unanimously.

2. Financial Report

Mayor Konopa stated that she liked the layout changes to the Financial Report.

Finance Director Sue Forty stated that donations reflect an approximate 90% of the projected amount for the year. This is due to additional grants for the *Retired and Senior Volunteer Program (RSVP)*, *Foster Grandparent Program*, and increased donations to *Meals on Wheels*. Finance Director Forty noted that another solicitation will be mailed next month for *Meals on Wheels*.

Executive Director Fred Abousleman stated that the willingness of the Senior Services Foundation and SDS to collaborate on fundraising has yielded positive results. People have been receiving less solicitations at once, and have been donating more.

Finance Director Forty stated that OCWCOG reduced supply cost expenses by 62% last year; this year's numbers are maintaining about the same.

Executive Director Abousleman stated that OCWCOG will be conducting a study to determine how to increase efficiencies and reduce mileage reimbursements. Executive Director Abousleman stated that overall OCWCOG is doing well budget-wise, and that Finance Director Forty has been working to ensure OCWCOG can be sustainable over the next three years. Finance Director Forty stated that the Public Employees Retirement System (PERS) increases represent the largest hurdle.

Mayor Biff Traber asked whether contracts with home health care workers are an ongoing expense for OCWCOG. Finance Director Forty stated that these contracts are part of inter-governmental agreements, and that OCWCOG does not pay for these expenses. Commissioner Anne Schuster asked whether Oregon Project Independence (OPI) has been eliminated in the State budget. Finance Director Forty stated that the OPI Pilot has been

eliminated; the primary OPI program will have a 25% budget decrease. Commissioner Schuster asked how many consumers this will impact. SDS Program Manager Randi Moore stated that these cuts would impact 165 consumers in Linn, Benton, and Lincoln Counties.

Executive Director Abousleman stated that OCWCOG has been reviewing reserve policies. The Board of Directors set up these policies four years ago, and while current reserve policies are meeting contractual needs, conversations are happening to ascertain whether these policies still meet the needs of the organization.

Councilor Elliott asked about the borrower's fee line item, and the reason so few loans are written to date. Executive Director Abousleman stated that OCWCOG's Business Lending program loans are less competitive now, as banks are becoming more willing to lend to higher-risk clients. Currently, clients must have a denial from a bank in order to receive a loan from OCWCOG. With less clients getting denied initially by banks, there are less lending opportunities for our lending program. CED Director Phil Warnock added that there is now increased competition from private financiers that are able to fund an entire project. Clients have been saving more, amassing more wealth, and are thus able to finance their own projects or expansions.

Executive Director Abousleman gave the Committee an overview of the Business Lending program.

Commissioner Schuster asked how the Business Lending program could provide more small loans. Finance Director Forty stated that loans can only be given to local entities. To provide small loans without a denial letter, the Loan Program Advisory Committee (LPAC) would need to rewrite program rules and approve changes.

Commissioner Schuster asked about the total dues increase for the *Special Projects Fund*. Finance Director Forty stated that the total is a little over \$13,000, and that the final number will be in the final *Work Program & Budget*.

3. Other Business

Executive Director Abousleman introduced Auditors Glenn Kearns and Kori Sarrett, and stated that OCWCOG is happy with this year's Audit results.

Ms. Sarrett stated that this year's audit went smoothly, and didn't require any adjustments; few audits require no reports of adjustments to the Board of Directors. Ms. Sarrett explained the audit letter, a communication directly with the Board of Directors, which includes any disagreements with management. There were no disagreements.

Ms. Sarrett gave the Committee an overview of the Auditors' opinion, which was unmodified, or clean. Ms. Sarrett also reviewed changes to PERS implementation of pension standards. Executive Director Abousleman asked whether this change is universal for all PERS agencies. Ms. Sarrett stated that yes, the change is universal.

Mr. Kearns discussed more about PERS liabilities.

Mayor Traber asked whether an agency's PERS liability is due to the State's liability. Mr. Kearns stated that yes, the State decides what portion of their liability falls to each agency based on employees at that agency.

Mr. Kearns stated that this liability should not impact an auditor's opinion or grants; however, it could theoretically impact loans or bonds, because it is a financial liability. Ms. Sarrett stated that PERS has taken steps to reduce this liability, but if the stock market changes, liabilities may not reduce in the future.

Ms. Sarrett discussed the Federal Compliance Audit, and noted that there were no issues this year. Ms. Sarrett discussed changes in program testing thresholds.

4. Adjournment

The meeting adjourned at 1:54 p.m.

Minutes recorded by Jennifer Kelley.