

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**  
**FINANCE COMMITTEE MEETING MINUTES**  
**May 18, 2017**

**MEMBERS:** Mayor Sharon Konopa, Albany; Commissioner Anne Schuster, Benton County; Mayor Biff Traber, Corvallis; Councilor Bob Elliott, Lebanon; Commissioner Bill Hall, Lincoln County; and Councilor Dann Cutter, Waldport.

**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; SDS Program Manager Jennifer Moore; Senior Accountant Janet Cline; and Administrative Assistant Jennifer Kelley.

The Oregon Cascades West Council of Governments' (OCWCOG) Budget Committee Meeting was called to order by Chair Bill Hall at 1:32 pm on May 18, 2017 at the Cascades West Center in Albany.

**1. Minutes of the Previous Meeting**

Mayor Biff Traber motioned to approve the minutes of the March 16, 2017 Finance Committee meeting, Councilor Bob Elliott seconded. Motion passed unanimously.

**2. Financial Report**

Finance Director Sue Forty stated that donation solicitations for the *Meals on Wheels* program have been successful so far, with approximately \$49,000 additional dollars having come in during the month of May.

Commissioner Anne Schuster asked whether the additional donations were a result of the mailer that recently went out. Finance Director Forty confirmed.

Mayor Traber clarified an inconsistent number in the OCWCOG Financial Update, under Snapshot. Finance Director Forty stated that in the Donations row under Fiscal Year (FY) 2017 Budget, the number should read 185,000 rather than 251,501.

Commissioner Schuster asked whether the dues increase has happened. Finance Director Forty stated that it has. Commissioner Schuster asked whether there had been any complaints regarding the increase. Finance Director Forty stated that there had not.

Commissioner Schuster asked whether all dues had been collected for the Special Projects Fund. Finance Director Forty stated that yes, funds had been received but they are for next year's budget. Executive Director Fred Abousleman clarified the schedule for discussing the Special Projects Fund.

**3. Other Business**

Finance Director Forty stated that OCWCOG has been working on revising reserve policies in order to create a larger reserve, and that revenue from larger programs could potentially be secured in order to increase the operational reserve.

Executive Director Abousleman stated that with the previous Executive Director, the Board had looked at reserves, and mandated a two-month wind-down reserve in order to have enough funds to shut down the facility if needed. Executive Director Abousleman stated that

he believes OCWCOG should have a larger operational reserve to maintain staffing in the case of a short-term funding problem.

Mayor Traber asked whether this reserve would be separate from the existing reserve. Executive Director Abousleman stated that there would only be one reserve; the existing reserve would be increased to be a six-month operational reserve that could act as a shut-down reserve if necessary.

Finance Director Forty stated that she is working on adding a small caveat to indirect funds, stipulating that reserves may be kept for research or other funding options.

Commissioner Hall stated that Lincoln County has a two-month reserve. However, with the current administration, the County has been wanting to increase to at least a three-month reserve; six months would be ideal.

Mayor Traber asked how OCWCOG plans to increase the reserve from two months to six, and whether programs would face revenue cuts to achieve this. Executive Director Abousleman stated that the increase would be phased in, and that programs would not be impacted. Executive Director Abousleman added that this increased reserve would protect the Board, as the Counties are responsible for our facilities, etc.

Councilor Dann Cutter asked for an estimated timeframe for the increase. Executive Director Abousleman stated that if funding remains the same, three to four years in order to not negatively impact programs. However, there is also the potential to look at grants or other opportunities to speed up the process.

Councilor Cutter asked whether it would be helpful for the Board to specify a minimum timeframe to achieve the increase, in order to not negatively impact programs, providing money is not coming from unanticipated sources such as grants. Commissioner Schuster stated that she didn't believe Finance Director Forty would let the increase negatively impact programs. Executive Director Abousleman stated that his preference would be to give the Board regular updates on the process, and the Board can then weigh in on whether the increase is happening on an appropriate timeframe.

Commissioner Schuster asked whether reserve funds could be used for matching to gain funding for programs. Executive Director Abousleman stated that currently they cannot, however OCWCOG has discussed the potential to do this if implemented in a cautious way.

Mayor Sharon Konopa stated that the reserve fund could potentially be used for building repairs. Executive Director Abousleman stated that OCWCOG has a building reserve, in addition to a five year facilities plan.

Executive Director Abousleman recommended building the reserve first, then discussing whether it could have additional uses.

Finance Director Forty stated that currently SDS has a separate 1.5 year wind-down plan.

Mayor Traber suggested that the reserve fund could be treated as a revolving loan fund with a clear payback period, with loan risk being reviewed on a case-by-case basis. Councilor Cutter stated that he would have concerns about loaning money, and then having a catastrophic event happen while funds were depleted. Mayor Traber responded that loans would be a small portion of the reserve, and that it would be good to start this before the six month reserve is built up, in order to help build the reserve more quickly.

The Board discussed potential loan options for reserve funds.

**4. Adjournment**

Chair Hall adjourned the meeting at 1:58 pm.

*Minutes recorded by Jennifer Kelley.*