

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
EXECUTIVE COMMITTEE MINUTES
April 25, 2019**

ATTENDEES: Mayor Biff Traber, Corvallis; Mayor Dann Cutter, Waldport; Mayor Sharon Konopa, Albany; and Commissioner Pat Malone, Benton County.

STAFF: Executive Director Fred Abousleman; Deputy Director Rachael Maddock-Hughes; Finance Director Sue Forty; Senior and Disability Services Director Randi Moore; Community Services Program Director Jennifer Moore; Community and Economic Development Director Phil Warnock; and Administrative Assistant Janet Hughes.

VISITORS: OCWCOG Legal Counsel Jim Brewer.

The Oregon Cascades West Council of Governments' (OCWCOG) Executive Committee Meeting was called to order by Chair Biff Traber at 9:02 am on Thursday, April 25, 2019, at the Cascades West Center in Albany, Oregon.

Chair Traber called for an Executive Session, pursuant to ORS 192.600. OCWCOG Legal Counsel Jim Brewer and Human Resources Manager Ryan Schulze attended, and Deputy Director Rachael Maddock-Hughes recorded the Executive Session.

The Executive Committee Meeting resumed at 10:11 am.

1. Approval of Previous Meeting Minutes

Mayor Dann Cutter asked that the extra "s" at the top of the February meeting minutes (page 1) be removed before approval. With correction made, Mayor Sharon Konopa made the motion to approve, with the clerical change, the February 28, 2019 Executive Committee Meeting Minutes. Commissioner Pat Malone seconded. Motion passed unanimously.

2. OCWCOG Program Updates

Chair Traber asked if the Program Managers had any updates or significant items to add to their reports, which were submitted in the Executive Committee packet, or if Executive Committee Members had any questions. If not, due to time constraints, Chair Traber noted that the meeting will move on. There were no questions or additions.

Public Employees Retirement System (PERS) Update

Executive Director Fred Abousleman stated there are a number of small cities that had signed onto a letter with the League of Oregon Cities regarding Public Employees Retirement System (PERS). He noted that he was not sure if the City of Albany had signed on. Mayor Konopa replied that yes, the City had signed on; Mayor Cutter noted that the City of Waldport had also signed on.

Executive Director Abousleman stated that the biggest battle regarding PERS is about who is going to get the \$2 billion, if the State implements the tax increases. Will this funding go to schools, local governments, special districts, or other agencies? He thinks that this is where the fight will be.

Executive Director Abousleman noted that he's spoken with colleagues and they are not weighing in on this issue, so he is recommending that OCWCOG not weigh in either; OCWCOG Staff will not do so unless directed to by Executive Committee or Board of Directors (Board). He continued by noting that OCWCOG, as a non-taxing authority, gets a double hit with these kind of PERS conversations. For example, OCWCOG will not get an increase in funding, but the organization will get an increase in liability, whereas schools may get an increase in funding and an increase in liabilities, such is the case for a number of agencies and cities. Executive Director Abousleman commented that he is not sure where the Counties stand on this issue. He also noted that he was concerned about this tax going exclusively to K-12 schools.

Commissioner Pat Malone stated that that was a good concern. From what he read, he felt there was enough push back regarding where this tax money was going to go, that it will be difficult to approve this revenue increase. The Commissioner also commented that he agreed with Executive Director Abousleman, he would be surprised if the revenue went exclusively to K-12 schools.

Mayor Cutter said he humbly hopes the revenue only goes to K-12 schools, as local governments can survive, but Oregon schools are in horrible financial shape.

Chair Traber said that Executive Director Abousleman had asked him Tuesday about his City taking a position. Chair Traber noted that Corvallis delayed taking a position, as the City does not like that the Legislators ignored local governments. He noted that local governments do not have any other revenue resources. As a County government, there are a number of other possible ways to get funding from the State, Chair Traber said, though explained that Benton County does not get any State funding. For this reason, the City of Corvallis has not jumped on this letter or the League of Cities. He continued by noting that the City has expressed other views to the Legislature, and no matter what, the legislature needs a solution that deals with all PERS employers. Chair Traber warned that the Speaker and the Senate President have something going and OCWCOG does not want to get on the wrong side of the education folks, until it is clear what that is, then join the fight depending on how it goes.

Mayor Konopa said that the City of Albany had not taken any formal action as a Council, but all the City Councilors have been asked to contact the Legislature regarding this issue. She did not know that the City included a five percent increase for PERS in their budget. In doing so, there were discussions at the Council meeting to lay off police and fire department personnel to cover this cost. This was the first such conversation in her 24 years of budget history with the City. Mayor Konopa noted that the City has never had to take such a cut. She commented that growth does not pay for itself and the current City's property taxes are not enough to support the services of the City, especially with the current PERS responsibilities. She continued that this five percent hit was tough and questioned where the City was going to get the revenues to cover this expense. Ultimately, the City will cut costs across the budget.

Executive Director Abousleman asked Finance Director Sue Forty how much OCWCOG's PERS costs went up this Fiscal Year. Finance Director Forty replied that the costs went up 20 percent this biennium.

Commissioner Malone commented that it is a mistake to start squabbling over increased revenue from possible tax increases, before the revenue is realized. The Executive Committee agreed and felt that it is going to be difficult to get it through the Legislature.

Chair Traber shared that the Corvallis City Council also discussed this topic last week. During that meeting, the City of Corvallis Finance Director stated that a number of the things the Council were discussing would have little or no effect on future PERS responsibilities. For instance:

- The legislation (tax increases) will reduce some cosmetic concerns to make everyone feel good.
- The State could pass a Statewide property tax to pay down the unfunded liability for PERS. Everybody would pay into it, that way the government and employer contribution does not keep increasing.)

Chair Traber noted that the City of Corvallis' Finance Director said that the State has this problem and will continue to have it until the State generates enough revenue to overcome the unfunded liability.

Mayor Cutter interrupted, saying that the legislation would not pass, and that the problem with property taxes is that it only affects one type of voter in the State. He noted that there are municipalities that have gone out of their way to avoid and have fought against the PERS deals made in the 1980's - intelligently, it turns out. Mayor Cutter continued, the most appropriate and efficient way to handle this is to focus on the part of the State where most of the PERS employees are sitting, avoiding a tax on the rest of the State that do not necessarily benefit the same way that people in the Valley do.

Mayor Konopa told Mayor Traber that she likes the fee set up of the City of Corvallis and that the City of Albany is looking into something similar, for instance, the utility fee schedule. Mayor Traber noted that these are new and the City has a local options levy being discussed. He also noted that as of yet, the City of Corvallis has not had to cut employees because of PERS increases.

Legislative Update

Executive Director Abousleman said that House Bill (HB) 2001 would be on the Regional Mayors' Meeting agenda, but that he did not have any specific updates on the bill.

Executive Director Abousleman continued noting that of the four pieces of legislation that OCWCOG has been watching, three are still alive, and one is unknown. Here is the status of the bills:

- *Wetlands Mitigation:* The wetlands mitigation issues are still moving forward, gaining lots of traction. Staff hopes to see a move towards some single permitting and potentially getting a wetlands mitigation bank for development in the Valley.
- *Rural Development Center:* Staff has seen positive motion on the rural development center to help rural communities.
- *Case Management Workload:* The one that seems to have dropped off is actually one of the biggest in the State - the case management workload bill. Staff is working to determine its status. This bill is the fix to the Medicaid issue, which is determining how many people actually need to be employed and how much the State needs to spend to manage the Medicaid expansion.

Executive Director Abousleman noted that this bill has been attached to an Oregon Department of Human Services (DHS) funding package, rather than a standalone bill. If in fact the legislation is dead, it may not necessarily bode well for OCWCOG, as the bill was intended to rebalance Medicaid in the State, as workloads for Medicaid staff are off. OCWCOG has a lot of support regionally for this legislation.

Mayor Cutter stated that the wetlands legislation is great; he noted that both this and the Medicaid legislation needs to be a priority. Executive Director Abousleman agreed with Mayor Cutter, adding other funding packages were priorities, as well.

OCWCOG 2019-2020 Budget

Chair Traber asked about the *2019-2020 Budget*, as it will be discussed at the May Board of Directors' (Board) meeting, though it is not on the Executive Committee agenda. He noted that the Finance Committee meeting is meeting prior to Board meeting, so the Committee will find out more if there are any questions on the budget.

Executive Director Abousleman asked if there were any questions. He noted that Staff is rebalancing two reserve funds, where one fund is absorbing another fund, which will be the only significant change you will see in the *Supplemental Budget* presented during the July Board meeting.

Finance Director Forty explained that this was the only significant change; there were no revenue increases or expenditure increases. The Finance Staff updated the budget on the contract revenue, as when the *Budget* was published in March, Staff did not know what the plan was for the work on the Coast, so the indirect or direct costs were not changed. The changes made affects only the expenses and contract revenues in the General Administration's budget.

Finance Director Forty continued by noting that the *Supplemental Budget* will also include a change to the Community Service Programs budget, as the *Foster Grandparents Program* and *Senior Companion Program* are receiving some augmentation dollars.

Executive Director Abousleman stated that Community and Economic Development (CED) Director Phil Warnock was looking at two special transportation projects that are approximately \$2 million; if those projects are realized, then a *Supplemental Budget* will be needed for those projects. (He will not receive notice on funding until after July.) Executive Director Abousleman also noted that Community Service Programs (CSP) Director Jennifer Moore is working on another project that might require a *Supplemental Budget*. The good news, Executive Director Abousleman reported is that if Staff presents a *Supplemental Budget* it will be due to new revenue.

Finance Director Forty stated that Staff would present the *Supplemental Budget* as quickly as possible. She noted that if the *Supplemental Budget* had significant enough changes, then Staff will publish a new *2019-2020 Budget*, including the Supplemental Budget, rather than simply a *Supplemental Memo*. Staff will work to determine what makes the most sense and communicate that with the Executive Committee, Budget Committee, Finance Committee, and Board.

Executive Director Abousleman stated that OCWCOG's *Budget* is due prior to the State's revenue's completion, so if there is a Medicaid or transportation increase or

decrease, Staff has to go back and redo the budget. This is similar to if your City or County had to complete two or three budgets, waiting for confirmation from the State (or any other contractor) on funding.

Finance Director Forty stated that OCWCOG is fortunate in that the organization does not have to follow Oregon budget law, and can utilize Supplemental rules, acting as a special district. OCWCOG also does not have a taxing base, so this makes it easier as well. OCWCOG handles *Supplemental Budgets* like its member Cities and Counties.

3. Topics of Regional Interest

Chair Traber asked if anyone had any topics of regional interest. He stated that he thought the Executive Committee had already hit on those issues already. No one had any other regional issues to discuss.

4. Events Update

Tapas and Treasures

Executive Director Abousleman stated that towards the back of your Executive Committee packet, on the colorful pages, is the *Meals on Wheels (MOW)* fundraiser that the Corvallis Rotary sponsors, with the Oregon Cascades West Senior Services Foundation. He would love to have the Executive Committee's attendance. Revenue for the event looks to be \$10,000 this year.

Event details are: Friday, July 12th at 5:00 pm at Garlands Nursey.

CelebrateLBL

Executive Director Abousleman continued with *CelebrateLBL*, which will be in Linn County. There is no date yet. He asked if the Executive Committee saw the email about dates and locations – there are three Fridays in October, the 11th, 18th, and 25th. Do any of those dates work? Staff was trying to get away from September as it was too soon after the *Tapas and Treasures* event. Executive Director Abousleman noted that Staff was looking at a Friday to try to drive attendance, given feedback from the previous two years. He also stated that Staff avoided Beavers football games, and events scheduled throughout the Region. Executive Director Abousleman asked Executive Committee members to look at calendars and see if any of those dates will work.

Mayor Konopa stated that fundraisers on Tuesday or Thursday nights tend to get a lot of attendance; she has been to fundraisers on those nights. She noted that she went to a "Helping Hands" fundraiser on a Tuesday night, where more than 500 people attended; she also attended a fundraiser for the ABC House where they had 500 attendees on a weeknight. Mayor Konopa explained that businesspeople think this is part of their duty show up on weeknights for fundraisers. She is worried about holding *CelebrateLBL* in the fall on a Friday night would lose attendees. She said Fridays are especially tough.

Executive Director Abousleman said that Staff will look again at a Tuesday or Thursday night. Mayor Konopa agreed. Mayor Cutter said that on the Coast, they try to avoid Friday night events. Former Lincoln County Commissioner Terry Thompson had his retirement ceremony on a Friday, and it drove everyone nuts.

Executive Director Abousleman said he would talk to his Communications Staff to look into a Tuesday or Thursday night. He then asked if the Executive Committee would look at their calendars for the Thursday evenings in October – 10th, 17th, and 24th.

Executive Director Abousleman asked Mayor Cutter about Coastal attendees and if they would come on a Thursday night, knowing they may have to work on Friday. Mayor Cutter responded that Friday night works best, as it provides a chance to go out and get away for a night for those coming from the Coast. However, if there is a Beavers football game on Saturday, it is impossible to get hotel reservations. Executive Director Abousleman noted that Staff will take the football schedule into consideration when determining the date.

Executive Director Abousleman asked about the location of *CelebrateLBL*. In Linn County there are three options: Flinn Block Hall (Flinn Hall), the Historic Carousel (Carousel), or the Eagles Lodge. We also have the Linn County Expo Center (Expo Center). Mayor Konopa said that the Albany Golf and Country Club (Country Club) could also be a consideration.

Mayor Konopa said that the Carousel is unique. Executive Director Abousleman noted that if the event were held at the Carousel, a tent would more than likely need to be put up for the awards presentation, driving up the costs. It would end up being about the same price as Flinn Hall. The Carousel has a 100-person maximum occupancy in any one room.

Executive Director Abousleman said that if they were interested in the Carousel, Staff discussed that it can be set-up as a fun and games event. If the event was at the Flinn Hall, it would be a formal dinner. He noted that he was concerned with the Commissioners wanting to do it at the Expo Center, as this is a very large space. However, if the Executive Committee would like it there, then Staff will support it.

Mayor Konopa said the Expo Center is fine, it's just not great. Chair Traber said that it is too utilitarian. He noted that the Flinn Hall looks nice and he has been there before. He liked the idea of the Carousel, but was unsure of the tent. He continued by stating that a street would have to be closed to hold the tent, but that would not be a problem. Mayor Konopa was concerned about the weather in the fall.

Mayor Konopa commented that at the Oregon Coast Aquarium (Aquarium) last year, many attendees were walking around mingling, but when it came to the Awards, then everyone found a seat. She thought if there were additional bistro type tables around the edges during the Awards presentation, people may have made less comments. She said that not all attendees were seated, and many stood around on the perimeter. She feels that if there was a microphone set up (as she has seen successfully at other events), some attendees can stand and others can sit while Awards are presented.

Executive Director Abousleman said that some attendees at the Aquarium felt the presentation last year was not formal enough for an Awards ceremony. Feedback came in that the presentation was rushed.

Executive Director Abousleman further stated that Staff are not opposed to a tent at the Carousel, so this should not be an obstacle, just something to be aware of. In fact, the tent vendor may support the event with a partial donation.

Deputy Director Rachael Maddock-Hughes stated that what she had heard was that attendees needed more places to sit once dinner was served and during the Awards presentation. There were a lot of tables, but not quite enough for everyone to be comfortable. Mayor Cutter noted that it was not a meal that one could eat with fingers. Executive Director Abousleman stated that technically, it was only supposed to be finger food served, but the Aquarium flipped the food on us at the end.

Mayor Konopa asked Staff to reach out to the Country Club; it is between Albany and Corvallis. Executive Director Abousleman asked if Mayor Konopa preferred the Country Club over the Carousel, noting she does not like having a tent as people would be going in and out, and if it is raining, it would be a mess.

Deputy Director Maddock-Hughes stated that the Communications Staff will look into both options and compare the costs. Executive Director Abousleman asked if we could take anything off the table, it was agreed to take the Expo Center off the table.

Mayor Konopa stated that elected officials all are used to “sit down banquets.” Executive Director Abousleman stated that Staff also wanted to get away from that. Mayor Konopa said that she liked the Aquarium last year because it was a little bit different and unique; Executive Director Abousleman said that this was what he and Staff were hoping to provide with their events.

Executive Director Abousleman asked if Mayor Konopa was open to the idea of the tent being attached to the door of the Carousel, so attendees will not have to walk in the rain. Mayor Konopa thought it might be hard to fit it, but was open to the idea.

The consensus of the Executive Committee is that they like the Country Club, but it is not in Linn County, so that is off the table. The Country Club would also be similar to Flinn Hall. Finally, Lebanon has the Boulder Falls Conference Center (where OCWCOG held the *State of the Region* Summit); it is formal, but not unique.

Chair Traber commented about the Carousal with the Awards, he requested that the food not require two hands to eat, and there be plenty of places for attendees to sit, but also provide a location to pull people into the room for the Awards. He would be supportive of the Carousel, if it can do these things.

Commissioner Malone likes the Carousal idea. He also stated that the earlier in October, the better for a chance of good weather. Mayor Cutter said the Carousel would be interesting; he liked the games and carnival theme idea.

Chair Traber said that it sounds like the event is headed to the Carousal; the Country Club is an alternative with Boulder Falls as a third option, if the other two fall through.

Executive Director Abousleman said that Staff will start fundraising for both *CelebrateLBL*, and *Tapas and Treasures*. Staff is looking for sponsors, so please share the word. OCWCOG's signature sponsor is Oregon State Credit Union.

5. May Board of Directors' Meeting Agenda Items

The proposed May Board of Directors' meeting agenda was reviewed and agreed upon by the Executive Committee. The proposed agenda is as follows:

1. Welcome and Introductions
2. Public Comment
3. Consent Calendar
 - a. Approval of Previous Board of Directors' Meeting Minutes
 - b. Financial Update
 - c. Adoption of Economic Development Administration (EDA) *Revolving Loan Fund Plan Resolution*.
4. *FY2019-2010 Work Program and Budget Presentation*
5. Board Endorsement of the Older Americans Act Proclamation
6. OCWCOG Program Update
7. Events Update
 - a. *Tapas and Treasures*
 - b. *CelebrateLBL*
8. Topics of Regional Interest: *Shared Service – Water Treatment Plant Operator as a joint service agreement?*
9. Other Business
10. Adjournment

Additions to the May Board of Directors Meeting Agenda

Executive Director Abousleman said one item was left off the agenda for the May Board, an Audit presentation. Finance Director Forty said that the Audit has already been sent to the Federal Clearinghouse. The Auditor will present the Audit during the Finance Committee meeting in May, then again during the Board meeting in May, where it will be accepted by the Board.

CED Warnock stated that there will be another addition to the May Board meeting, the adoption of the Economic Development Administration Resolution for match commitments.

CSP Director Jennifer Moore said there also would be an informational item, on the *Meals on Wheels* provider request for proposals (RFP).

6. Other Business

Chair Traber said that OCWCOG Staff was trying to schedule the Regional Mayors' Meeting.

7. Adjournment

Meeting adjourned at 10:43 am.

Meeting minutes taken by Janet Hughes.