



Budget Committee Meeting Packet

April 21, 2022
11:30 am - 12:30 pm

Zoom Video Conference
[*Click Here to Join*](#)

**Next Budget Committee Meeting:
May 19, 2022 at 11:30 am**

The meeting locations are wheelchair accessible. If you need special assistance, please contact Oregon Cascades West Council of Governments at 541-967-8720 or adminGA@ocwcog.org, forty-eight (48) hours prior to the meeting.



1400 Queen Ave SE • Suite 201 • Albany, OR 97322
(541) 967-8720 • FAX (541) 967-6123

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
BUDGET COMMITTEE WORK GROUP AGENDA**

**April 21, 2022
11:30 am – 12:30 pm**

[Join Zoom Meeting](#)

Meeting ID: 865 3126 7750
Passcode: 807121

An Executive Session may be called as deemed necessary by the Chair, pursuant to ORS 192.660.

NOTE: Please contact Leah Snodgrass at 541.967.8720 or lsnodgrass@ocwcog.org, no later than noon on Wednesday, April 20th, to confirm your attendance.

1. **Welcome and Introductions** (*Chair, Commissioner Pat Malone*)
(11:30 – 11:35 am)

2. **Public Comment** (*Chair, Commissioner Pat Malone*)
(11:35 – 11:40 am)

Floor will be open to the public for comment.

3. **Consent Calendar** (*Chair, Commissioner Pat Malone*)
(11:40 – 11:45 am)

Approval of the March 17, 2022, Budget Committee minutes ([Page 3](#)).

ACTION: Motion to approve Consent Calendar items.

4. **Presentation and discussion of the DRAFT FY22-23 Work Program and Budget Assumptions**
(*Finance Director Marit Nelson*)
(11:45 am– 12:25 pm)

Finance Director Nelson will discuss the FY2022-2023 Work Program and Budget Assumptions.
([Page 11](#))

ACTION: Discussion Only.

5. **Other Business** (*Chair, Commissioner Pat Malone*)
(12:25 – 12:30 pm)

6. **Adjournment** (*Chair, Commissioner Pat Malone*)
(12:30 pm)

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
BUDGET COMMITTEE MINUTES
March 17, 2022
Via Zoom Video and Audio Conferencing**

Attendees: Commissioner Claire Hall, Lincoln County; Commissioner Sherrie Sprenger, Linn County; Mayor Jim Lepin, Millersburg; Chas Jones, Philomath; and Jesse Oakley, TBAC.

Absent: **CHAIR:** Commissioner Pat Malone, Benton County, CWACTION; Mayor Dean Sawyer, Newport; Jan Molnar-Fitzgerald, DSAC; and Mitzi Naucler, SSAC.

Staff: Executive Director Ryan Vogt; Finance Director Marit Nelson; Senior Disabilities and Community Services (SDCS) Director Randi Moore; Technology Services (TS) Director Jason Sele; Human Resources (HR) Director Ryan Schulze; Community and Economics (CED) Director Jenny Glass; and Executive Assistant, Leah Snodgrass

1. Welcome and Introductions

The Oregon Cascades West Council of Governments’ (OCWCOG) Budget Committee Meeting was called to order by Commissioner Hall filling in for Chair Malone on March 17, 2022, at 11:31 am via Zoom Video and Audio Conferencing.

Jesse Oakley, Chair of the Transportation Brokerage Advisory Committee (TBAC) introduced himself.

2. Public Comment

No comment.

3. Approval of Previous Meeting Minutes

Mayor Jones moved to approve the meeting minutes from the January 20, 2022, Budget Committee Meeting. Mayor Lepin seconded the motion. With no objections, the minutes were voted upon and approved.

4. Forecasted Ending Budget Balances for Fiscal Year 2022

Finance Director Nelson shared a snapshot of Major Line Items and summarized the information as pictured below:

	FY 2022 Budget	JAN YTD	Percentage YTD	Prior Year YTD
Dues	330,506	304,270	92.1%	66.59%
Contracts	3,689,616	2,732,940	74.9%	43.95%
Grants	216,800	102,354	47.2%	43.7%
Donations	250,500	110,069	43.9%	74.6%

State Revenue	2,217,311	1,022,766	46.1%	41.7%
Federal Revenue	17,456,097	10,441,222	59.8%	50.9%
Coordinated Care	9,098,188	5,735,671	63.0%	52.1%
Total Income (all line items)	\$ 52,545,163	\$ 22,778,095	43.3%	25.86%
Total Payroll Expense	\$ 19,839,492	\$ 9,868,731	49.7%	49.8%
Contract Expense	12,877,243	5,968,282	46.3%	47.6%
Indirect Expense	2,572,175	1,500,400	58.3%	58.3%
Maintenance & Repair	103,000	27,453	26.7%	67.6%
Supplies	97,050	32,362	33.3%	46.4%
Telephone	155,775	82,213	53.4%	49.0%
Travel / Training	221,550	55,204	35.4%	10.8%
Total Expense (all line items)	\$ 52,545,163	\$ 21,913,800	41.7%	38.3%
Net Gain / (Loss)		\$ 864,295		

Finance Director Nelson shared a snapshot of the Fiscal Year 2022 Forecast with information that was exported today, and summarized the information as pictured below:

	Description	Total Budget	July - Feb Actuals	% Of Budget	FYE Forecast	% Of Budget	Surplus/Deficit
	FEDERAL SOURCES	\$17,456,097	\$11,758,498	67.36%	\$17,637,747	101.04%	\$181,650
	STATE SOURCES	\$2,217,311	\$1,101,958	49.70%	\$1,652,938	74.55%	\$(564,373)
	LOCAL SOURCES	\$1,415,062	\$806,497	56.99%	\$1,209,745	85.49%	\$(205,317)
	PROGRAM INCOME	\$16,507,891	\$11,482,883	69.56%	\$17,224,325	104.34%	\$716,434
Grand Total	Revenue w/o Beg Balance	\$37,596,361	\$25,149,836	66.89%	\$37,724,754	100.34%	\$128,393

	Description	Total Budget	July - Feb Actuals	% Of Budget	FYE Forecast	% Of Budget	Surplus/Deficit
	PERSONNEL	\$19,839,492	\$11,191,321	56.41%	\$16,752,965	84.44%	\$3,086,527
	MATERIALS AND SUPPLIES	\$19,880,776	\$10,250,231	51.56%	\$15,379,528	77.36%	\$4,501,248
	TRANSFERS	\$3,072,621	\$3,047,495	24.69%	\$3,047,495	99.18%	\$25,126
	CAPITAL OUTLAY	\$435,393	\$-	0.00%	\$100,000	22.97%	\$335,393
	DEBT SERVICES	\$48,490	\$1,289	2.66%	\$48,490	100.00%	\$-
Grand Total	Expenses w/o Contingency	\$43,276,772	\$24,490,336	56.59%	\$35,328,477	81.63%	\$7,948,295

\$2,396,277

Finance Director Nelson projected OCWCOG's revenue will be right on target at a 100% of the budget. She calculated the values not taking into consideration the beginning balances or contingency budgeting as a way to evaluate sustainability without accounting for the reserves. These values were established a year ago during the pandemic with uncertainty of how services would be affected, and at this moment we are on track and in good place for projecting.

The money transfers have taken place to establish the reserve fund accounts that were discussed at the last board meeting. Considering the money transfer, personnel, materials, and supplies projected for the year, it looks like expenses will be about 82% of what is budgeted. With just over 100% of revenue projected, there will most likely be a small surplus going into next year. Finance Director Nelson stated she does not have any concerns about the current budget direction, and she along with the other department directors are currently building next fiscal year's budgets, including establishing goals and objectives.

Mayor Jones asked Finance Director Nelson why the Major Line Item information was not included in the Budget Committee packet? Finance Director Nelson stated she wanted to present the most current information at the meeting, and the numbers can change as each day goes by.

5. Department Goals and Objectives for Fiscal Year 2022-2023

Senior, Disability, and Community Services (SDCS)

SDCS Director Moore reported the Senior and Disability Services (SDS) operates on a biennial budget because the contract with the state uses the biennial format. July will be the start of the second year of the biennium. This means that SDS's funding for next year looks very similar to what it looks like for this year. There are not lot of surprises, and she is predicting stability.

There have been extra funds received because of Covid, so revenue looks good. A big change coming is a program called Oregon Project Independence (OPI). It is a program that provides a few hours of in-home services to consumers to help keep them independent, stable, and safe in their homes. These are traditionally non-Medicaid consumers, but this pilot program starting in July, will have an opportunity to collect Medicaid matching funds. SDCS Director Moore predicts an increase in OPI consumers which in return will result in more OPI funding. Another advantage of the pilot program will get this service to the consumers faster because the Medicaid application process can take quite a bit of time. SDCS Director Moore pointed out that for every increase in revenue means there is increase in consumers so the change to net gain and loss is minimal.

SDCS Director Moore stated the biggest changes in her departments budget is in regard to personnel. There will be an increase in admin support positions to help support all programmatic units. Also, SDCS has become aware some of our sister agencies did salary adjustments for their Meals on Wheels staff. There may be a request to study our MOW staff to be in line with what our sister agencies are doing. The Human Resources Department will be working on the assessment. Once the assessment is done, the Meals on Wheels budget may be impacted.

Benton County Veterans' Service Office is looking at adding one limited duration assistant position. This position could turn into something long term if it can prove to be sustainable, which is a high probability because of the predicted increase in Medicaid matching funds.

Community and Economic Development (CED)

CED Director Glass reported Ride Line is her biggest program, which means most of the budget and staff fall into this program. There are sixteen personnel in Ride Line who stay very busy. Ride Line expanded and partnered with the Samaritan Health Plan to serve Medicare clients. The expansion of these services will be reflected in the budget. The main source of funds for Ride Line is Intercommunity Health Network (IHN), and the program is expecting a decrease in the per member per month operational funds. Ride Line has established a relationship with IHN and has a "make whole" clause within the contract, so CED Director Glass feels good about the funds being stable for this program.

Also, with Ride Line a new software program is being sought. The current program is outdated and unsupported. A new program will make scheduling with Ride Line easier and more accessible, which includes the ability to schedule through an application. There is an ODOT grant to cover the initial costs of new software.

The Lending program has two staff members, a senior loan officer and an assistant loan officer. There are new opportunities to get the funding that we have out the door, make more small business loans, and to partner and expand some of our work. To make that happen, Lending is looking at hiring a new Assistant Loan Officer in that program for next year.

With the many Federal funding opportunities, CED wants to make sure the Planning section is doing its best to know what those opportunities are. CED Director Glass stated it is important for the department to be prepared and ready to support the region as those funding opportunities come available, so she is looking at hiring a grant writer that would be able to help OCWCOG, as well as our community and member agencies, apply for Federal grants.

Regarding the Economic Development program, it is losing its supplemental CARES funding that was going to allow OCWCOG to hire an Economic Recovery Coordinator. This position is very crucial, so we are looking at an opportunity to continue that position by securing a grant with Business Oregon, and there are hopes to make it a full time permanent position.

Mayor Jones asked if the grant writer was going to be a full time employee, contractor, or a consultant? Mayor Jones expressed concern about the added costs of a full time employee with benefits, and wanted to make sure all options were being explored.

CED Director Glass answered she would like it to be a full time person, but will remain open to all options. As a full time staff person, they would be available as a contractor to our members for grant writing service.

Commissioner Sprenger left at approximately 11:55 am.

Technology Services

TS Director Sele provided a brief update regarding Microsoft 365 (M365). TS Director Sele reported all of OCWCOG has been migrated to M365, which includes updating all the Microsoft application from 2013 to the latest version. They are currently working on transitioning all of the staff to Teams which will bring the agency into the new environment that connects up nicely with the State. This transition will remove the operation of Skype and Zoom in the near future.

For the next fiscal year TS Director Sele is looking at moving the phone system to Teams. This would be for interagency calls as well as external calls for regular phone system connectivity. The current Star2Star phone system has many issues and causes a lot of work in the TS department to maintain. The budget will capture this cost that would include new headsets for each employee.

Another budget item for TS is new conference room equipment. The new equipment will be easily integrated with Teams. The current equipment has presented some challenges with external attendees being able to hear people in the conference room when in a virtual meeting.

Another new feature for the TS department is a new help desk ticket system. Since TS Director Sele has been with OCWCOG he discovered tickets were not getting resolved in a timely manner and a large factor was how tickets were managed in the ticket system. This also affects our external TS clients, because they use the same new ticket system as OCWCOG staff. Switching to a new Help Desk is improving service not only to staff but to our TS contract clients.

TS Director Sele learned from TS Director Joseph Mack with the Community Services Consortium (CSC) that they do not use a help desk ticket system. There have been discussions with CSC for when they are ready to implement a ticket system, to use the same one as OCWCOG. Any future agency system combining actions between OCWCOG and SCS will be easier having the same operating systems.

Another expense that is being forecasted for the next fiscal year is the potential of an enterprise software solution. This involves upgrading our core systems across Finance, HR, and other departments. There is no steering committee yet, just talks about some of the initial thoughts of adding that into the budget. Some initial analysis still needs to be done to determine how much that will cost, and how involved it will be. OCWCOG wants to make sure that CSC is part of this process and also include them in the steering committee. Another thing to consider with the enterprise software solution is an Application Support Specialist. This position would not only help with the rollout of the enterprise software solution, but also give us the ability to support some of the new Microsoft applications such as being able to build SharePoint sites.

TS Director Sele shared the TS department has a temp worker who has been hired to help cover for three to four months, who also assists facilities. There is potential that OCWCOG may want to extend it into a longer term role. Time will tell if there is a benefit of having a staff person in this shared role.

Mayor Jones cautioned TS Director Sele that he may receive some complaints regarding Teams, because he believes a lot of people do not like it.

Human Resources

HR Manager Schulze reported his department will be working on a number of salary studies starting next year. The plan is to do six salary studies a year that haven't been done, and in some cases, it has been fifteen years. Over the course of the pandemic, there has been a large increase in the number of FMLA and OFLA cases in our agency that far exceeded anything experienced before in the agency. HR Manager Schulze is expecting these numbers to taper off, but with the increased usage of FMLA/OFLA, there is an increase in awareness. It is predicted that OCWCOG will continue to see more cases than historically seen in the past.

There has also been an increase in recruitments. There used to be 15 to 20 recruitments in a year, and now we are seeing double that in a year. This all equates to more work in the HR department and for next year's budget, HR Manager Schulze is considering a halftime position to do clerical work and support the current HR staff. HR has four to five different databases that information is being entered into that don't communicate with each other. By having a half time Clerical Specialist helping with tasks like data entry, the other staff can focus more on increased training and updating policies and procedures. The details of the position are still being worked out.

The Enterprise software solution that TS Director Sele discussed is something that will reduce and consolidate databases, and make HR more integrated in the agency with different departments like Finance and Payroll. HR Manager Schulze thinks it is important to be a part of selecting the right software solution to provide accurate requirements and confirming it will meet the needs of the agency.

Finance

Finance Director Nelson stated her biggest change in her budget will be with her staff. Currently there is a contractor working in the capacity that a full time employee normally would. She would like to revert back to that structure during the fiscal year. This change would not warrant a large increase in cost. This change would happen mid-year because OCWCOG is currently utilizing a contractor to help bridge some of our projects and processes. Finance Director Nelson would like to move this position from a contractor to a staff position. It has historically been a full-time staffed position, but it's been very difficult to maintain over the last four to five years. Finance Director Nelson would like to include an increase in training as part of staff development.

This year's budget has some was higher because of the need to cover filling the retired vacant positions. Those who were hired into those positions came in at a different level than the retirees going out, so Finance Direct Nelson feels like the budget impact is not going to be too substantial between this year and next year.

Currently the Facility department falls under Finance, and there is a need for an additional maintenance person to better serve the satellite offices and Toledo. The half-time maintenance

position will couple with TS in a way to better support our Toledo office and our growing infrastructure. It will also create some efficiencies rather than having to wait for long periods of time for maintenance projects to be completed. We could have additional resources with it and build it into the non-departmental budget for next year, as per the recommendation at our staff meetings. This should help aid program growth.

Mayor Jones asked what the cost of a contractor is versus having a full time staff person? Finance Director Nelson answered that she does not currently have an amount or a percentage established, and that number can be tricky to calculate given the many benefit selections an OCWCOG employee has. Executive Director Vogt told Mayor Jones at the next work session meeting the average loaded percentage will be given.

General Administration

Executive Director Vogt reminded the Committee this year's budget process looks different than in the past. It will be a more purposeful engaged process. What was heard today is what has been prioritized by the Senior Leadership Team (SDCS Director, CED Director, TS Director, HR Manager, Finance Director, and the Executive Director) to advance the agency in the right way, and what those next steps look like.

Executive Director Vogt has a couple areas he would like to move forward with for General Administration. One is a Project Manager. This position would invest in real practical implementation with CSC, including shared leadership work, co-housing staff, moving forward with an enterprise software solution, and purchases and policies to name a few. Another is to engage a contractor to develop the agency's strategic plan. This will lead to a number of strategic priorities and action items that is going to need project management to make sure there is momentum. There are other change initiatives like the remodel and use of the building. Telework has changed the way we look at space in the building.

One more thing Executive Director Vogt would like to add is a Data Analyst. The agency would like to give better detailed information on the impact OCWCOG has in the Region. It will further the grant writing opportunities for the agency and for our members. It has been expressed by our members that they would like OCWCOG to be more data informed and be more present with impact information to the stakeholders.

6. Next Meeting Format

Next meeting will be April 21st at 11:30 am. We will be reviewing draft numbers, but cannot provide a draft budget by law at this time. The work session will be for discussing processes, how we got to the numbers and ratios, and provides an opportunity for feedback.

7. Other Business

No other business discussed.

8. Adjournment

Commissioner Hall adjourned the meeting at 12.28 pm.

Meeting minutes taken by Leah Snodgrass.



MEMORANDUM

DATE: April 21, 2022
TO: OCWCOG Finance Committee
FROM: Marit Nelson, Finance Director
RE: **Budget Workshop**

Please find below a summary of our discussion from March 17th. It is this discussion that the OCWCOG Leadership Team is using as the base structure in building the first draft of the fiscal year 2022-23 budget. For our meeting on April 21, we would like to bridge this information along with other assumptions and factors we are utilizing to demonstrate our process during this mid-budget build check-in.

You'll remember, for Senior and Disability Services, state funding is issued on a biennium contract. FY 2022-23 is the second year that contract. Funding will remain consistent. The department is looking forward to a pilot program under Oregon Project Independence, which will hopefully allow for expansion of that program based on our ability to capture more Medicaid match funding. Benton County Veteran Services will be increasing staff for a limited duration due to Medicaid match funding.

Community and Economic Development programs will see Medicare expansion in the Ride Line program. This will balance out the decrease from Intercommunity Health Network (IHN) reduction of their per member per month contribution. Additionally, a new software program will be implemented during the fiscal year which will increase usability and accessibility of Ride Line to our consumers. This is supported by and ODOT grant.

The Lending Department currently has two staff will be considering adding another FTE in order to expand our services in the region. Partnering our program with others is an important goal this coming year.

Additionally, in CED, there is discussion of adding a grant writer to not only help COG write grants, but also member agencies obtain grant services. The department is also looking to find a way to keep on the limited duration Economic Recovery Coordinator. There could be a good opportunity through a Business Oregon grant to fund that position.

The Technology Department plans to continue implementing various components of Microsoft 365 and Teams. There are additional capabilities within these platforms that can be utilized to improve the overall agency function. Improving conference room equipment is also a part of the continued implementation and use of Microsoft 365. Technology will be assisting with the Ride Line software research and implementation process as well as exploring enterprise software systems for finance, human resources, purchasing, and contracts. To support these additional projects and program growth.5 FTE IT Support is being considered as well as 1.0 FTE for Application Support Specialist.

Human Resources will be conducting salary studies of six positions in the coming fiscal year. This could cause adjustments within programs as those studies are completed. Recruitments are also on the rise. Typically, OCWCOG completes 15 to 20 per year. So far in 2022 we have done almost that

many. As a part of being able to support the programs and the mentioned projects affecting Human Resources, a .5 FTE Confidential Clerical Support will be folded into the budget. The additional support will provide higher level staff the opportunity to do management training, increase recruitment efforts, work on policies and procedures, etc. In addition, implementing an integrated enterprise software solution is key to gaining some efficiencies. HR will be working with the Tech Department on researching that system.

The Finance Department is currently using a contractor to help bridge month to month work and training. The department is hoping to get through the transition by the end of the calendar year and convert the position back to a full-time employee. The cost will shift from contractual to personal services. There may be an opportunity for internal growth and the full-time position can be hired at a lower level as internal staff adjust task responsibility. The Finance Department will budget at the higher level and hope for the lower cost. A lower-level staff hiring could also assist in HR. It is our goal to support all our programs and staff as we grow and change. There will also be a push in the coming fiscal year for staff development. For the past few years conferences and trainings have been scarce, but there are efficiencies to be gained as staff gain knowledge about their jobs, the why's and gain "bigger picture" perspective.

Facilities will add a .5 FTE counterpart to the Tech Department's addition. This is seen as a way to better support the Toledo office as well as support the growing infrastructure of the agency.

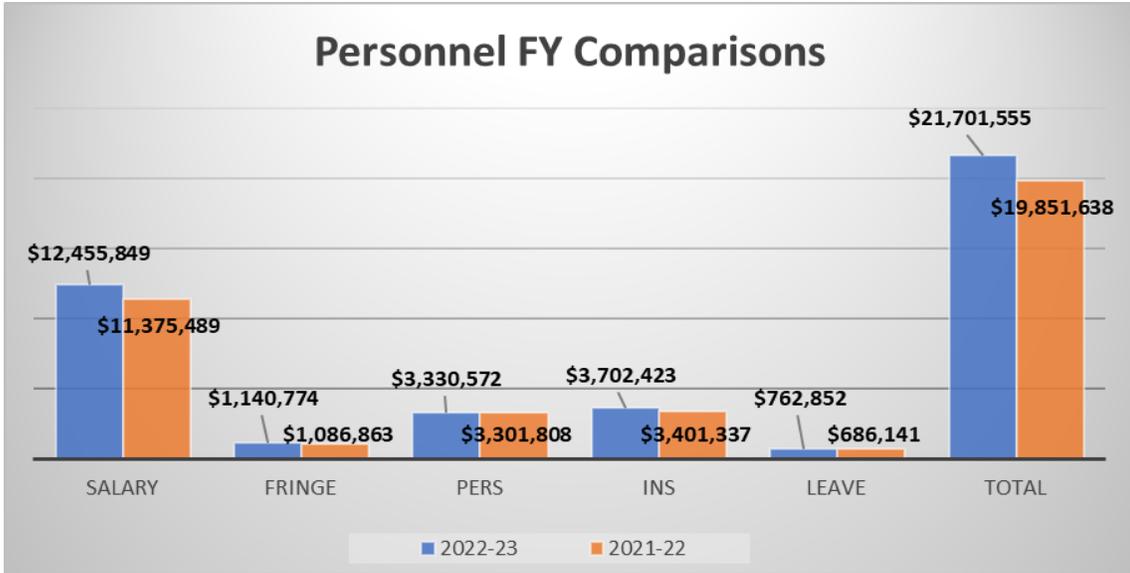
General Administration expects to incur costs associated with a completed strategic plan in the coming fiscal year. Much of the personnel planning for the coming fiscal year will remain consistent with the current year as we seek to fill the Communications and Diversity, Equity and Inclusion positions. In addition, consideration is being given to adding a Project Management position to assist with the implementation of our many projects as well as aid in aligning our agency more closely with Community Service Consortium. It is also the desire of OCWCOG to add a Data Analyst position who could help gather information from our various programs. Allowing us the opportunity to measure our impact on the region, provide insightful information for grant applications and enable us embrace data-informed decision making.

It is these factors that OCWCOG is taking into consideration as we build the fiscal year budget for 2022-23. Additionally, there are other assumptions based on known factors such as the labor agreement, PERS employer rates and transfers to reserves that we are considering during this process. There is also strong support in providing training our staff, managers, and leadership team.

FY 2021-22 and FY 2022-23 Comparators:

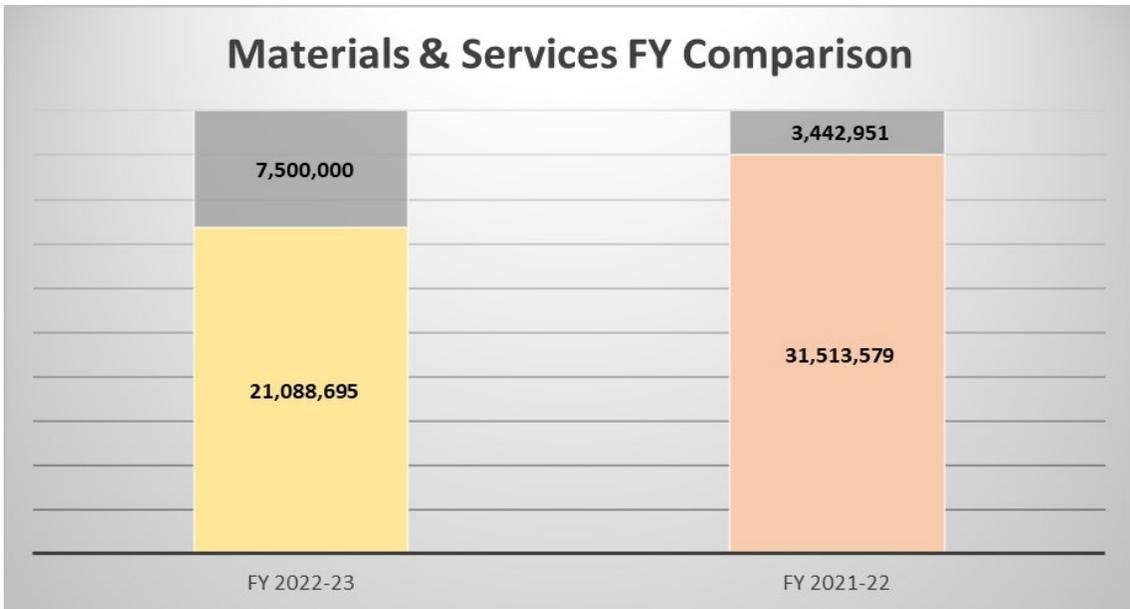
FY 2021-22 Adopted Budget Total Revenue:	\$51,429,707
FY 2022-23 (Draft) Projected Revenue:	\$50,852,878
FY 2021-22 Adopted Budget Total Personnel:	\$19,851,638
Salaries	\$11,375,489
Mandatory Benefits (FICA, SAIF, UI)	\$1,086,863
Optional Benefits (Health, Dental, Life)	\$3,401,337
Vacation Accrual	\$686,141
PERS and PERS Reserve (EE and ER Contributions):	\$3,301,808
Total FTE Budgeted:	196
FY 2022-23 Projected Personnel Total:	\$21,701,555 (9% increase)
Salaries	\$12,455,849
Mandatory Benefits (FICA, SAIF, UI)	\$1,140,774
Optional Benefits (Health, Dental, Life)	\$3,702,423

Vacation Accrual	\$762,852
PERS and PERS Reserve (EE and ER Contributions)	\$3,639,657
Current Proposed FTE:	205



FY 2021-22 Adopted Budget Total Materials & Services:	\$31,513,579*
*Includes \$3,442,951 transferred to reserves	

FY 2022-23 (Draft) Projected Materials & Services	\$21,088,695**
**Approximately \$7,500,000 currently unallocated	



Assumptions and Financial Indicators:

OCWCOG PERS Rates will remain the same for the coming fiscal year. Employer rates are 24.61% Tier1/Tier 2 and 18.56 % OPSRP. These rates are projected to increase on July 1, 2023. The increase will be based on market performance as of December 31, 2022.
Health/Dental/Vision insurance rates projected to increase 4% for FY 2023
COLA increase for all staff 2.5% effective July 1, 2022 and October 1, 2022
Total number of staff will increase by 9 (5%).

We understand that there are inflationary factors we must consider while drafting the FY 2022-23 budget. Costs associated with materials and services are on the rise. The Western CPI rate utilized annually for dues calculation is 6.5%. Additionally, the normal cost increase factors for capital outlay projects will be increased to reflect supply chain issues and contractor availability.

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