



Finance Committee Meeting Agenda Packet

September 15, 2016, 2:00 pm

Cascades West Center
1400 Queen Avenue SE
2nd Floor, Large Conference Room
Albany, OR 97322

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



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

**COUNCIL OF GOVERNMENTS
FINANCE COMMITTEE AGENDA
September 15, 2016**

Cascades West Center in Albany
1400 Queen Avenue
Albany, OR. 97322

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

1. Minutes of the Previous Meeting (Treasurer Bill Hall)
(2:00 – 2:05 p.m.)

Review of the July 21, 2016 Finance Committee minutes (Page 2).

ACTION: Motion to approve the minutes of the May 19, 2016 Budget Committee meeting.

2. Financial Report (Finance Director Sue Forty)
(2:05 – 2:15 p.m.)

Finance Director Sue Forty will review the Financial Report and respond to questions (Page 4).

ACTION: Information only.

3. Public Employees Retirement System (PERS) Reserve Fund (Finance Director Sue Forty)
(2:15 – 2:25 p.m.)

A review of OCWCOG's plans to fund the agency's PERS Reserve Liability Account to offset anticipated PERS increases will be provided (Page 10).

ACTION: Motion to recommend to the Board approval to activate and use the PERS Reserve Liability Account starting with the September 2016 payroll to help offset escalating costs for the organization.

4. Other Business
(2:25 – 2:35 p.m.)

5. Adjournment
(2:35 p.m.)

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
FINANCE COMMITTEE MINUTES
July 21, 2016**

MEMBERS: Mayor Sharon Konopa, Albany; Commissioner Anne Schuster, Benton County; Mayor Biff Traber, Corvallis; and Councilor Bob Elliott, Lebanon.

STAFF: Executive Director Fred Abousleman; Deputy Director Lydia George; Finance Director Sue Forty, Senior and Disability Services Director Dave Toler; Community and Economic Development Director Phil Warnock; Communications Consultant Lindsey Riley; and General Administration Assistant Betu Case.

The Finance Committee meeting was called to order by Finance Vice Chair Sharon Konopa at 2:12 pm on July 21, 2016 at the Cascades West Center in Albany, Oregon.

1. Minutes of the Previous Meeting

Motion to approve the minutes of the May 19, 2016 Budget Committee meeting made by Councilor Bob Elliott, seconded by Mayor Biff Traber. Motion passed unanimously.

2. Financial Report

Finance Director Sue Forty asked if there were any questions about the Consolidated Revenue and Expense Statement.

Vice Chair Konopa asked why the Client Employed Provider (CEP) homecare worker portion increased. Finance Director Forty said the Service Employees International Union (SEIU) homecare workers received a Cost of Living Adjustment (COLA) after the Budget was produced. These funds are charged against the Oregon Project Independence (OPI).

Commissioner Anne Schuster asked which OCWCOG positions have not been filled yet. Finance Director Forty answered several positions have not yet been filled; the Technology Services Manager position, Human Resources Administrative Assistant position and others. Executive Director Fred Abousleman said there are no critical positions that have not been filled.

Councilor Elliott asked for additional information about the homecare worker program. Finance Director Forty said revenue and expenses do not affect the actual cash accounts, but are a transaction that is for SEIU worker increases. They are more than normal COLAs, and these individuals have traditionally been underpaid.

Historically, dues have been budgeted in the General Administration as well as the actual programs, which receive the dues. This creates the appearance of more dues than the organization actually receives. OCWCOG has stopped that process and remedied it so that it is not recognized as double revenue.

Mayor Traber asked if Oregon Department of Transportation (ODOT) is always a quarter out. Finance Director Forty replied yes.

Executive Director Abousleman said we are not anticipating any problems with this budget; he noted that the organization will be within a percent point of anticipated revenue.

3. Other Business

Commissioner Schuster said there will be a meeting next week regarding plans for Highway 20 to become a safety corridor. Community and Economic Development Director Phil Warnock said he plans to attend that meeting.

Commissioner Schuster asked what is happening with the loan program. Community and Economic Development Director Warnock reported he is excited about submitting for a new Micro Loan Program which is similar to what OCWCOG did several years ago. The Micro Loan program can lend shorter-term loans up to \$50,000.

Finance Director Forty said Loan Officer Sandra Easdale is working hard and we have two Small Business Administration (SBA) 504 loans in process. Loans are picking up and we are considering posting loan applications online to make it easier for applicants.

4. Adjournment

Meeting was adjourned at 2:29 pm.

Minutes recorded by Betu Case.



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MEMORANDUM

DATE: September 15, 2016
TO: OCWCOG Finance Committee
FROM: Sue Forty, Finance Director
RE: **OCWCOG Financial Update**

Please accept the following snapshot, and Consolidated Revenue and Expense Statement, for period ending June 30, 2016, with notes to items that I felt were pertinent. We strive to make the following financial information consistent, accessible, and transparent. It is provided as a Consent Item, however, no official action is needed.

Snapshot by Major Line Item

	FY2016 Budget	December YTD	Percentage YTD	Prior Year YTD
Dues	255,363.00	255,363.00	100%	100%
Contracts	2,103,374.00	1,827,578.33	86.89%	147.22%
Grants	173,641.00	195,782.00	112.75%	184.23%
Donations	220,000.00	139,175.25	63.26%	80.70%
State Revenue	1,522,943.00	1,331,236.82	87.41%	113.00%
Federal Revenue	11,870,052.00	11,217,444.94	94.50%	98.23%
Coordinated Care	4,700,000.00	5,237,584.27	111.44%	118.38%
Total Income (all line items)	32,213,655.00	31,115,310.43	96.59%	113.18%
Total Payroll Expense	13,964,308.00	11,283,120.28	80.80%	85.80%
Contract Expense	5,840,723.00	6,807,182.16	116.55%	106.93%
Indirect Expense	1,646,844.00	1,629,586.68	98.95%	98.56%
Maintenance & Repair	169,950.00	95,404.40	56.14%	32.44%
Supplies	203,797.00	119,250.01	58.48%	70.73
Telephone	192,954.00	164,047.46	85.02%	99.85%
Travel / Training	360,482.00	261,927.05	72.66%	100.28%
Total Expense (all line items)	32,213,655.00	20,724,424.31	70.71%	83.71%
Net Gain / (Loss)		8,494,397.44		

FY2015 - 2016 Financial Narrative (Revenue)

- a. OCWCOG has a balanced budget, as seen on the Net/Gain (Loss) FY2015-2016 Budget. The budget numbers reflect the supplemental budget adopted on January 21, 2016.
- b. Member dues have all been received and distributed.
- c. Contract revenue is low. The Board adopted a supplemental budget that increased the contract revenue total by \$703,555.00. The Non-Emergent Medical Transportation pilot program represents \$477,750.00 of this increase. *Pedal Corvallis*, the bikeshare project, recently launched, and we are in the process of billing for this project.
- d. Year-to-date grant revenue is up due to recording grants in the correct line item and additional grant awards to the *RSVP* and *Foster Grand Parent* programs.
- e. Donations revenue is down for the year. The organization has entered into a contract with an independent resource development firm to assist in obtaining larger donations for the program. The *Meals on Wheels* program is working on a direct mail project that should launch in October 2016.
- f. The organization's State contracts are low. Both the metropolitan planning organizations (MPO) were awarded additional small contracts that are being bill instead of the Oregon Department of Transportation (ODOT) contract.
- g. Federal revenue is low due to the intergovernmental agreement (IGA) being awarded for less than was budgeted. We anticipated and budgeted a six percent (6%) increase over the prior year and received less.
- h. Coordinated Care revenue is high due to a cost settlement to bring the actual cost inline.

FY2015 - 2016 Financial Narrative (Personnel and Material & Supplies)

- a. The organization's Personnel Expense is below budget due to several vacant positions not filled. OCWCOG has implemented a process to determine the need to rapidly fill all vacant positions.
- b. Contract expense is coming in high. Part of this increase is due to the Senior and Disability Services' home care workers wage and overtime increase negotiated in their Collective Bargaining Agreement and additional Brokerage providers being paid.
- c. Indirect expenses are on budget. Indirect rates are charged to all program areas based on the number of staff employed in each program, and are used to fund General Administration, Human Resources, Finance, and Technology Services.
- d. Maintenance & Repair expenses are low. New projects have been slow to ramp up and will start in the FY2016-2017.
- e. The organization has implemented a centralized purchasing program, which is controlling the supply costs. We reduced the FY2015-2016 budget by \$51,971 and spend only 58% of the budgeted funds during the year.
- f. Telephone costs are starting to show the reduction in costs anticipated by the changes made in providers and equipment purchases in FY2014-2015.
- g. Travel/Training is low. The organization management staff have been reviewing staff travel to ensure the best use of staff time and program expenses.

If you find you need additional information or clarification, please contact Finance Director Forty.

Consolidate Revenue and Expense Statement					
Executive Committee Financial Report					
For Period Ended June 30, 2016					
Acct No	Description	Budget	YTD Bal	YTD %	
000710	Beg Bal-Restricted for Grants	\$ 48,008.00	\$ 85,331.68	177.74%	
000725	Beg Bal-Restrict for Contracts	\$ 828,597.00	\$ 1,106,308.55	133.52%	
000735	Beg Bal-Restricted Reconcile	\$ 1,670,837.00	\$ 1,685,432.23	100.87%	
000740	Beg Bal-Restricted for Other	\$ 397,775.00	\$ 1,518,755.53	381.81%	
000745	Beg Bal-Restrict Reserve	\$ 2,200,000.00	\$ 2,230,000.00	101.36%	
000750	Beg Bal-Unrestricted	\$ 2,463,487.00	\$ 1,034,109.77	41.98%	
000801	Dues	\$ 510,726.00	\$ 255,362.67	50.00%	
000802	Fees For Service	\$ 77,839.00	\$ 87,017.08	111.79%	Addition OPI clients
000803	Internal Transfer	\$ 1,632,387.00	\$ 1,633,379.37	100.06%	Indirect
000804	Miscellaneous Revenue	\$ 7,708.00	\$ 26,722.41	346.68%	Sponsorship for <i>Get There</i> Campaign, building security grant
000805	Contract Revenue	\$ 2,103,374.00	\$ 1,827,578.33	86.89%	
000806	Grant Revenue	\$ 173,641.00	\$ 195,782.00	112.75%	
000807	Donations	\$ 220,000.00	\$ 139,175.25	63.26%	
000808	Interest Revenue	\$ 174,520.00	\$ 221,732.76	127.05%	Loan/Bank Interest
000809	Transfers In	\$ 404,846.00	\$ 365,052.71	90.17%	
000809	CED Administration	\$ 187,364.00	\$ 170,972.70	91.25%	
000820	Program Meals Revenue	\$ 165,000.00	\$ 165,430.61	100.26%	
000821	Program Fee For Service	\$ 1,000.00	\$ -	0.00%	
000822	Loan Packaging Fees	\$ 4,000.00	\$ 500.00	12.50%	
000823	Program Income	\$ 667,151.00	\$ 544,287.74	81.58%	
000824	Loan Processing Revenue	\$ 130,000.00	\$ 140,515.97	108.09%	
000824	Match Revenue	\$ 45,000.00	\$ 37,259.00	82.80%	
000826	Borrowers Fees	\$ 1,000.00	\$ 7,541.16	754.12%	Recovered some attorney fees on a bad debt
000827	Loan Packaging Fees	\$ 200.00	\$ -	0.00%	
000828	Service Fees	\$ 6,200.00	\$ 7,767.38	125.28%	
000840	Veterans	\$ 57,261.00	\$ 54,651.00	95.44%	
000841	Oregon Project Independence	\$ 675,796.00	\$ 763,021.65	112.91%	
000843	ODOT	\$ 789,886.00	\$ 513,564.17	65.02%	
000846	Coordinated Care	\$ 4,700,000.00	\$ 5,237,584.27	111.44%	Cost settlement
000860	Economic Development Admin	\$ 75,000.00	\$ 75,000.00	100.00%	

000862	Older Americans Act	\$ 1,110,610.00	\$ 1,014,981.00	91.39%	
000863	Title XIX	\$ 10,268,063.00	\$ 9,591,300.46	93.41%	
000864	Federal Senior Meals	\$ 296,000.00	\$ 395,347.48	133.56%	Additional Federal Meals served
000865	USDA	\$ 107,379.00	\$ 132,953.00	123.82%	Sequestration mitigation funds
000869	Siletz Revenue	\$ 13,000.00	\$ 7,863.00	60.48%	
	REVENUE	\$ 32,213,655.00	\$ 31,272,280.93	96.59%	
0001ED	Executive Director	\$ 118,240.00	\$ 123,689.72	104.61%	
000410	Leave Benefits	\$ 516,952.00	\$ 465,691.36	90.08%	
000420	Fringe Benefits	\$ 5,031,174.00	\$ 3,770,094.73	74.93%	
0004DD	Deputy Director	\$ 90,147.00	\$ 96,151.94	106.66%	
0004PD	Program Director	\$ 330,766.00	\$ 245,209.55	74.13%	
0010PM	Program Manager	\$ 507,374.00	\$ 409,776.75	80.76%	
0013PS	Program Supervisor	\$ 421,767.00	\$ 416,158.14	98.67%	
0016LO	Loan Officer	\$ 64,581.00	\$ 62,565.49	96.88%	
0019CA	Clerical Assistant	\$ 13,418.00	\$ 16,369.07	121.99%	State EDMS project required additional staff hours
0019PM	Personnel Manager	\$ 66,996.00	\$ 76,855.46	114.72%	Staff hired at step higher then budgeted
0022SA	Senior Accountant	\$ 57,791.00	\$ 64,205.72	111.10%	Final check for position
0031RD	Resource Development	\$ -	\$ 2,664.30	#DIV/0!	Final check for position
0046CM	Case Manager	\$ 2,179,916.00	\$ 1,774,044.56	81.38%	
0053CC	Contracts Coordinator	\$ 49,187.00	\$ 44,563.61	90.60%	
0055CS	Clerical Supervisor	\$ 66,996.00	\$ 53,141.08	79.32%	
0060AS	Accounting Specialist	\$ 49,144.00	\$ 45,600.07	92.79%	
0064ES	Eligibility Specialist	\$ 1,108,285.00	\$ 950,547.22	85.77%	
0067EA	Executive Assistant	\$ 45,920.00	\$ 90,903.55	197.96%	Reclassification after budget was adopted
0070AC	Accounting Clerk II	\$ 36,852.00	\$ 23,248.90	63.09%	
0076AA	Administrative Assistant	\$ 466,284.00	\$ 400,144.31	85.82%	
0085CS	Clerical Specialist	\$ 234,489.00	\$ 190,421.06	81.21%	
0085WS	Workstation Support Specialist	\$ 54,850.00	\$ -	0.00%	
013CDP	CED Planner II	\$ 143,318.00	\$ 80,521.40	56.18%	
013MDR	MPO Director	\$ 92,133.00	\$ 91,364.76	99.17%	
025NSS	Network Support Specialist	\$ 72,684.00	\$ 72,408.27	99.62%	
031CDP	CED Planner	\$ 115,153.00	\$ 64,603.48	56.10%	
034APS	Adult Protective Services Spec	\$ 356,271.00	\$ 329,666.77	92.53%	

037DTC	Diversion & Transition Coord	\$ 182,990.00	\$ 167,282.91	91.42%	
037LCM	Lead Case Manager	\$ 231,525.00	\$ 132,808.65	57.36%	
045ISS	Information Support Specialist	\$ 53,255.00	\$ 53,506.91	100.47%	
052ALO	Assist. Loan Officer	\$ 34,540.00	\$ 26,319.68	76.20%	
055VSO	Veterans Service Officer	\$ 57,477.00	\$ 55,769.68	97.03%	
060FMC	Facility Maint. Coordinator	\$ 48,456.00	\$ 48,088.55	99.24%	
061LES	Lead Eligibility Specialist	\$ -	\$ 26,235.78	#DIV/0!	Position created after budget was adopted
064ADR	ADRC Specialist	\$ 183,262.00	\$ 138,999.99	75.85%	
064ALW	Asst. AFH Licensing Worker	\$ 72,875.00	\$ 68,739.98	94.33%	
067CEA	Confidential Executive Assist	\$ 47,189.00	\$ -	0.00%	
075LTB	Lead Trans Brokerage Spec.	\$ 77,624.00	\$ 74,892.25	96.48%	
075TBS	Transportation Brokerage Spec.	\$ 317,574.00	\$ 241,173.12	75.94%	
082SMC	Senior Meals Coordinator	\$ 37,996.00	\$ 36,842.29	96.96%	
090EXH	Extra Hire	\$ 50,442.00	\$ -	0.00%	Reclassification after budget was adopted
090RSM	Relief Site Manager	\$ 15,000.00	\$ 10,477.33	69.85%	
099EXH	Extra Hire	\$ 95,574.00	\$ 58,187.73	60.88%	
88MSM3	Meal Site Manager 3	\$ 167,841.00	\$ 183,184.16	109.14%	
	PERSONNEL	\$ 13,964,308.00	\$ 11,283,120.28	80.80%	
000504	Advertising	\$ 28,550.00	\$ 20,556.11	72.00%	
000506	Auto Expense	\$ 13,500.00	\$ 13,226.00	97.97%	
000510	Bank Charges	\$ 14,530.00	\$ 13,577.84	93.45%	
000513	Board/Comm/Meeting Expense	\$ 33,590.00	\$ 25,399.64	75.62%	
000514	CED Administration	\$ 198,754.00	\$ 170,660.57	85.87%	
000516	Computer Maintenance/Equipmer	\$ 50,600.00	\$ 47,988.91	94.84%	
000521	Contract Administration	\$ 2,500.00	\$ 3,073.00	122.92%	
000522	Contract Expense	\$ 5,840,723.00	\$ 6,807,182.16	116.55%	Additional Brokerage rides
000523	Admin Contract Expense	\$ 490,000.00	\$ 544,876.44	111.20%	CEP (homecare worker) expense has increased
000525	Copying	\$ 79,940.00	\$ 65,430.42	81.85%	
000531	Dues and Memberships	\$ 47,850.00	\$ 51,745.51	108.14%	Additional service organization due that we not budgeted.
000532	Equipment Expense	\$ 30,900.00	\$ 690.00	2.23%	
000533	Finance Indirect	\$ 461,952.00	\$ 457,313.16	99.00%	
000534	Indirect Expense	\$ 691,930.00	\$ 683,935.44	98.84%	
000535	Furniture & Fixtures	\$ -	\$ 118.98	0.00%	

000537	Insurance	\$ 48,768.00	\$ 47,788.82	97.99%	
000540	Interest Expense	\$ -	\$ 23,276.83	0.00%	
000541	Janitorial Expense	\$ 3,100.00	\$ 5,779.00	186.42%	Contract increased after budget was adopted, some additional cleaning this year that was not budgeted.
000542	Legal Services	\$ 17,400.00	\$ 15,080.00	86.67%	
000543	Licenses and Fees	\$ 38,700.00	\$ 53,970.76	139.46%	Contract tracking software and GIS software licenses
000546	Loan Fees	\$ 500.00	\$ 3,417.59	683.52%	Additional Loans processed
000549	Maintenance and Repair	\$ 169,950.00	\$ 95,404.40	56.14%	Remodel project not started.
000550	Taxes	\$ 156,838.00	\$ 142,387.54	90.79%	
000552	Other Operating	\$ 100,000.00	\$ -	0.00%	
000555	Postage	\$ 95,650.00	\$ 65,135.35	68.10%	
000558	Printing	\$ 28,761.00	\$ 14,134.84	49.15%	
000561	Rent	\$ 546,093.00	\$ 560,195.42	102.58%	
000564	Resource Reserve	\$ 185,000.00	\$ 96,978.66	52.42%	
000567	Supplies	\$ 203,797.00	\$ 119,250.01	58.48%	
000568	Stipend	\$ 87,877.00	\$ 59,866.64	68.13%	
000570	Technology Indirect	\$ 492,962.00	\$ 488,338.08	99.06%	
000573	Telephone	\$ 192,954.00	\$ 164,047.46	85.02%	
000576	Training	\$ 129,306.00	\$ 65,258.45	50.47%	
000577	Volunteer Recognition	\$ 3,800.00	\$ 14,730.17	387.64%	<i>Foster Grandparent and RSVP higher then anticipated</i>
000578	Meal Delivery Travel	\$ 35,000.00	\$ 39,714.47	113.47%	
000579	Travel	\$ 196,176.00	\$ 156,954.13	80.01%	
000580	Transfers Out	\$ 722,635.00	\$ 185,000.00	25.60%	
000582	Utilities	\$ 65,080.00	\$ 66,160.24	101.66%	
000584	Janitorial	\$ 47,700.00	\$ 44,738.50	93.79%	
000585	Unappropriated EFB for future	\$ 6,547,936.00	\$ -	0.00%	
	MATERIALS AND SUPPLIES	\$ 18,101,302.00	\$ 11,433,381.54	62.91%	
000595	Capital Purchase	\$ 86,663.00	\$ -	0.46%	Remodel project not started
	CAPITAL OUTLAY	\$ 86,663.00	\$ -	0.46%	
000598	Principal Payment	\$ 43,333.00	\$ 43,333.33	100.00%	
000599	Interest Payment	\$ 18,049.00	\$ 18,048.34	100.00%	
	DEBT SERVICES	\$ 61,382.00	\$ 61,381.67	100.00%	
	Expense	\$ 32,213,655.00	\$ 22,777,883.49	70.71%	
	Net Gain/(Loss)	\$ -	\$ 8,494,397.44		



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MEMORANDUM

DATE: September 15, 2016
TO: OCWCOG Board of Directors
FROM: Sue Forty, Finance Director
RE: PERS Reserve Update

The Oregon Supreme Court recently overturned the State Legislatures 2013 reforms of the Public Employees Retirement System (PERS) that were aimed at controlling long-term liability. Furthermore, lower than expected investment returns and changes in economic assumptions have created an unfunded liability for the pension system that every state and local agency that is a PERS member will have to cover. The long-term liability fix will begin in 2017 and last until 2021.

The OCWCOG Board of Directors established a PERS Reserve Liability Account in 2004 to address similar issues of off-setting a PERS increase. OCWCOG will be faced with a similar situation in the coming biennium(s).

The Reserve Liability Account is mandated to only be used to offset PERS costs. Funds cannot be used for any other activity. In the case of lower than expected increases (or no increase), programs would be credited back funds ONLY to their PERS expense line-item.

OCWCOG has determined through a review of estimated actuarial information provided by PERS that starting in 2017 fiscal year, OCWCOG PERS will begin to increase on an average of 20% of total wages each year. The increase for 2017 fiscal year will be approximately \$300,000.00 for the organization.

OCWCOG requests approval to activate and use the PERS Reserve Liability Account starting with the September 2016 payroll to help offset escalating costs for the organization.

OCWCOG will be contributing 3% of total monthly payroll costs by program into the PERS Reserve Liability Account. These funds will not cover the total cost of the increase, but will help buffer additional costs moving forward, thereby limiting the compounding effect on our budget, staffing, and program delivery.

If you find you need additional information or clarification, please contact Finance Director Forty.



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