1. Minutes of the Previous Meeting
   Councilor Dann Cutter motioned to approve the minutes of the December 1, 2016 Finance Committee Meeting; Mayor Biff Traber seconded. Motion passed unanimously.

2. Finance Committee Meeting Schedule
   Mayor Traber stated that the Finance Committee and Full Board Meeting Schedules conflict with other events, and asked whether they could be moved to earlier in the day.

   Mayor Sharon Konopa suggested moving the time for Finance Committee Meetings to 1:00 pm.

   Councilor Cutter motioned to approve the 2017 Finance Committee Meeting Schedule, with the change that meeting times move to 1:00 – 2:00 pm; Councilor Bob Elliott seconded. Motion passed unanimously.

   Chair Hall stated that the Senior Services Foundation (SSF) meetings would also need to be moved an hour earlier, to accommodate for this change.

   Executive Director Fred Abousleman reminded the Committee that SSF meetings only occur quarterly.

3. Financial Report
   Finance Director Sue Forty reviewed financial statements with the Committee. Finance Director Forty indicated that changes requested by Councilor Cutter and Mayor Konopa at the previous meeting are now reflected on the statements. Items under budget are marked in red, and items over budget are marked in green.

   Finance Director Forty stated that at this time in the fiscal year (FY), OCWCOG should be at 41% of its yearly budget.
Mayor Traber stated that revenue from the State of Oregon is well under what was expected, including under last year’s number. Finance Director Forty stated that revenue is a month behind for the State of Oregon, but it catches up at the end of the year. When this happens, numbers are adjusted. In addition, OCWCOG has not received Veterans Services revenue yet, but a two-quarter check is expected soon.

Councilor Cutter asked whether the Technology Services Manager position had been added under Personnel. Finance Director Forty stated that if no one is in a position, it does not print as a line-item in this report. However, the Technology Services Manager position has been filled and does have a budget line.

Councilor Cutter asked whether the Tech Support Specialist was a new hire in information technology. Finance Director Forty stated that yes it is a new hire and the person will be taking over the Technology Help Desk.

Councilor Cutter asked what “Tech Indirect” means. Finance Director Forty stated that this represents the cost to run the Technology program, and explained that this gets charged out to programs within our agency.

Commissioner Anne Schuster asked what “Coordinated Care” represents. Finance Director Forty stated that this represents our Transportation Brokerage contracts.

Commissioner Schuster asked whether OCWCOG has heard of budget decreases relating to transportation. CED Director Phil Warnock stated that for the coming year, the budget is steady in relation to transportation.

SDS Director Dave Toler stated that InterCommunity Health Network (IHN) has seen a 9% decline in members. Chair Hall stated that in general, Coordinated Care Organizations (CCO’s) have seen a decline in members, and do not know why.

SDS Director Toler stated that this has happened for a few reasons; the economy is better, and initially, CCO’s added people that shouldn’t have been added. In addition, Oregon Health Authority (OHA) enrollment processes are challenging, and some people do not complete the process due to frustration.

Commissioner Schuster stated that per the Benton County Health Director, Benton County will get reduced funding by $2 per patient. Funding from Good Samaritan Regional Medical Center and contracts will remain the same.

SDS Director Toler stated that budgets released this morning showed OHA had a 28% cut, and the Department of Human Services had an 8% reduction. OHA’s cut results in a $900 million cut.

Commissioner Schuster stated that the Public Safety budget has been cut by 3.1%.

Councilor Cutter asked why there is rent on the budget, as OCWCOG owns the building. Finance Director Forty stated that we charge programs rent to pay for our Facilities Department needs. Councilor Cutter asked whether this is simply an internal transfer of funds; Finance Director Forty confirmed this.
Mayor Konopa asked why a new roof is on the budget, and recalled paying for a new roof recently. Deputy Director Lydia George clarified that we do need a new roof, and that last time we paid for only a new layer on the existing roof.

4. **FY2017-2018 Dues**
   Executive Director Abousleman stated that each year, member dues are calculated based on population for each jurisdiction. As such, dues have increased as populations have increased. Executive Director Abousleman stated that dues account for less than 1% of OCWCOG’s total budget, and reminded the Committee that it is their job to recommend the dues rate to the Board of Directors. Once dues have been adopted, OCWCOG will send member jurisdictions their new dues rates for budgeting purposes.

Mayor Konopa asked why the population census information used was not the most current, from October 2016. Deputy Director George stated that OCWCOG always uses a full year; since the information for 2016 is only through October, 2015 is used instead. Next year, 2016 population information will be used to calculate dues.

Mayor Traber asked about wording stating that a majority of dues are used to for funding matches. Previously Executive Director Abousleman stated all dues are used for this purpose, not a majority. Executive Director Abousleman clarified that all dues funds are transferred to programs, in order to match other funding.

Mayor Traber asked if whether, because of this wording, a larger dues increase could take the place of a *Special Projects Fund (Fund)*.

Councilor Cutter stated that he supports a dues increase, but that would be a 10% increase, and that could shock jurisdictions. Councilor Cutter stated that he would rather see the increase in the overall dues bill, however suggested a staged increase over multiple years. This, however, would not build the *Fund* as quickly.

Chair Hall stated that if presented today, the dues increase would likely not pass, and suggested a special assessment for FY2017-2018. Starting in FY2018-2019, the increase could be incorporated into dues.

Mayor Traber suggested adopting the increase mid-year, after people have had time to think about it. Councilor Cutter stated that budgets are being formed currently, and waiting until mid-year could be too late.

Executive Director Abousleman stated that the current proposed *Special Projects Fund* increase was planned for next year, not this year. Mayor Traber stated that if the increase was postponed until next year, the Board would not be able to use *Funds* on an eclipse project. Executive Director Abousleman suggested that if there were no *Special Projects Fund* by that time, the Board could ask jurisdictions to voluntarily pitch in for a special project of regional significance.

Councilor Cutter suggested a 5% additional increase to dues this year, with an additional 5% increase also occurring next year. Councilor Cutter stated that only in larger jurisdictions will people potentially notice the increase. In smaller jurisdictions where dues are smaller, it is unlikely anybody will notice a 10% increase.
Mayor Traber suggested that with a 10% increase in Corvallis, it will likely be a budget conversation. However, in the budget, nobody sees line items for dues.

Mayor Konopa stated that in Albany, their budget does show line items. Potentially someone could question usage, but people usually don’t.

Executive Director Abousleman stated that if members chose to not pay, they would potentially not be able to benefit from Special Project Funds.

Councilor Cutter suggested increasing dues by 6.7% (to include the additional 5%), with an added 5% increase to next year’s dues as well. Even if no Special Projects Fund is formed, the dues increase would still be beneficial.

Mayor Konopa stated that she would still like to ask City Managers’ opinions on the Special Projects Fund.

Mayor Traber stated that he supports Councilor Cutter’s approach, and suggested a motion to increase dues by 6.7%. The Board could discuss this further, and a table of numbers could be sent out. Mayor Traber suggested that if the Committee waits to increase dues, it becomes a larger discussion.

Commissioner Schuster stated that Executive Director Abousleman’s goals included wanting to make the Region better. This could justify the dues increase, as a means to be more responsive to the needs of member communities.

Mayor Traber suggested that the fund could be project-based, but wouldn’t necessarily have to be shared among all jurisdictions. The Board could have control over this.

Councilor Cutter suggested selling the idea to the Board as an increase in budget, with an idea for future ways to absorb part of the increase. Until the Fund is formed, it will allow for additional Fund matching within programs. The Board can hash out details for the Special Projects Fund later.

Chair Hall suggested to motion for the Finance Committee to recommend to the Board approval of a 6.7% dues increase, with 1.7% representing traditional Consumer Price Index (CPI) adjustment, and an additional 5% toward a Special Projects Fund.

Councilor Cutter motioned as suggested, Councilor Elliott seconded. Motion passed unanimously.

Executive Director Abousleman stated that he would walk through this with City Managers the next day and report back.

5. **Other Business**
   No other business was presented.

6. **Adjournment**
   Chair Hall adjourned the meeting at 2:41 pm.

*Minutes recorded by Jennifer Kelley.*