

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MINUTES
March 15, 2018**

MEMBERS: Mayor Sharon Konopa, Albany; Commissioner Anne Schuster, Benton County; Councilor Bob Elliott, Lebanon; Mayor Don Ware, Brownsville; Mayor Marjean Cline, Halsey; Councilor Sarah Puls, Harrisburg; Mayor Jim Lepin, Millersburg; Councilor Jeanni Cuthbertson, Monroe; Councilor Debbie Nuber, Scio; and Councilor Diane Gerson, Sweet Home.

STAFF: Executive Director Fred Abousleman; Finance Director Sue Forty; Community and Economic Development (CED) Director Phil Warnock; Senior and Disability Services (SDS) Director Randi Moore; Community Services Program (CSP) Manager Jennifer Moore; Finance Manager Janet Cline; SDS Program Supervisor Ann Johnson; Loan Officer and Union Steward Sandra Easdale; Technology Services Manager Brian Chytka; and Executive Assistant Jennifer Kelley.

VIDEO: Councilor Susan Wahlke, Lincoln City; and Mayor Billie Jo Smith, Toledo.

GUEST: Councilor Mike Neddeau, Brownsville; Councilor Deanne Dunlap, Toledo; and Auditor Kori Sarrett, Accuity.

The Oregon Cascades West Council of Governments' (OCWCOG) Board of Directors Meeting was called to order by Chair Sharon Konopa at 2:04 p.m. on March 15, 2018 at the Cascades West Center in Albany.

1. Welcome and Introductions

Introductions were made.

2. Public Comment

There was no public comment.

3. Consent Calendar

Mayor Don Ware motioned to approve the consent calendar as presented, Mayor Marjean Cline seconded. Motion passed unanimously. Consent calendar items presented were:

- a. Approval of previous Board of Directors Meeting Minutes;
- b. Adoption of *Resolution #18-03-01 - Authorizing Economic Development Administration Planning Grant Submittal*;
- c. Adoption of *Resolution #18-03-02*, regarding the *Revolving Loan Fund Plan*;
- d. Cascades West Area Commission on Transportation 2018 Membership List; and
- e. Financial Update for the period of July 1, 2017 through January 31, 2018.

4. Presentation of the Fiscal Year (FY) 2016-2017 Annual Financial Report (Audit)

Auditor Kori Sarrett stated that the letter in front of the *Audit* is a direct communication between auditors and the Board. She stated that OCWCOG received a clean audit opinion, with no findings. She noted that the Public Employees Retirement System (PERS) creates an unfunded liability for OCWCOG, of \$12.4 million. She stated that the State recalculated assumptions, resulting in an increase from last year's estimated \$4.8 million liability. Ms. Sarrett stated that this creates a negative balance in unrestricted funds, which would be

concerning normally, although is not in this case, as it is driven by the PERS liability rather than a debt.

Ms. Sarrett stated that there were no issues on the Federal compliance audit, and noted that OCWCOG's Contracts Coordinator Laurie Dukes always makes the auditing process go smoothly. She said that last year, the Federal government made a comprehensive overhaul of guidance on compliance. She stated that one of these new requirements was something that Finance Director Sue Forty has already been doing.

Commissioner Anne Schuster noted that normally loan programs are all lumped into one line item, but this year they have been broken out. Ms. Sarrett stated that this is a new requirement.

Ms. Sarrett noted that OCWCOG Finance staff does a great job, and consistently stays in compliance with regard to financials. She stated that staff knows when the audit is happening, and prepares materials in advance. She stated that this takes a lot of preparation, and that staff is very responsive.

Commissioner Schuster motioned to accept the *Audit*, Councilor Diane Gerson seconded. Motion passed unanimously.

5. Presentation of the Draft FY2018-2019 Work Program & Budget (Budget)

Executive Director Fred Abousleman stated that one major difference in this year's *Budget* is the breaking out of the Community Services Program (CSP) from Senior and Disability Services (SDS). He stated that CSP will consist of the Benton County Veterans Services Office (VSO), the *Retired and Senior Volunteer Program*, the *Foster Grandparent Program*, *Meals on Wheels*, and some other special contracts. He stated that going forward, CSP programs will be separated out from SDS's Medicaid programs.

Executive Director Abousleman stated that SDS will see new revenue, with the passage of Measure 101. He added that OCWCOG was unsure whether the referendum on Measure 101 would pass, so the extra funding was not budgeted. He stated that these additional funds will be carried into the next fiscal year, and vacancies noted in the prior budget will be filled. He stated that the *Budget* stays relatively even, and is zero-based.

Chair Konopa asked what type of presentation would be given on the final *Budget*. Councilor Sarah Puls requested a shorter presentation, similar to last year's. There was agreement among Board members.

Commissioner Schuster expressed concern regarding PERS, and said she hopes to hear strategies on how to deal with this liability going forward. Finance Director Forty stated that currently, OCWCOG puts an amount equal to 1% of gross payroll into a fund for this liability.

6. Presentation of the FY2017-2018 Supplemental Budget

Executive Director Abousleman stated that due to the passage of Measure 101 and the resulting referendum, the Benton County VSO will receive an additional \$50,000 in funding. He stated that a Supplemental Budget was prepared, although it is not required for this level of funding, as OCWCOG prefers to be transparent.

Mayor Jim Lepin motioned to approve the *FY2017-2018 Supplemental Budget*, Mayor Ware seconded. Motion passed unanimously.

7. Legislative Advocacy Update

Executive Director Abousleman presented a walk-on item, an update of the drafted legislative advocacy policies presented previously. He stated that City/County Managers/Administrators would see the document the following day, at their monthly

meeting. He stated that changes to the documents include some administrative fixes that they would like to see. He stated that wetlands problems are currently being discussed, as is disaster resiliency. He stated that OCWCOG staff is currently working with Advisory Councils on issues pertaining to SDS.

Executive Director Abousleman stated that housing keeps arising as an issue, but since this is not in the OCWCOG purview, guidance will be sought from other members and community partners.

Mayor Lepin stated that OCWCOG is hosting a wetlands meeting in April, at his request.

Executive Director Abousleman stated that with regard to wetlands regulations, Oregon is no more prescriptive than Federal laws. He stated that there is a misconception that there are different standards. Councilor Puls stated that the differences are between the Department of State Lands (DSL) and the Army Corps of Engineers. Executive Director Abousleman stated that there should not be differences in regulations between the agencies.

Executive Director Abousleman stated that administrative problems with the Oregon Department of Transportation (ODOT) often occur regarding signed agreements on projects. When agreements are signed, ODOT estimates the cost, and the jurisdiction matches ODOT funds. However, if the project goes over-budget, the cities and counties are responsible in matching those costs. He stated that OCWCOG staff is drafting language to change those requirements. Councilor Gerson stated that Sweet Home just signed an agreement with ODOT. Executive Director Abousleman stated that ODOT often underestimates project costs.

Commissioner Schuster stated that the Oregon Housing and Community Services Department, the Association of Oregon Counties (AOC), and the League of Oregon Cities have all been working together for the first time. She stated that the groups are hosting meetings where they will ask attendees about their specific regional needs, in order to potentially provide future technical assistance. She also stated that a new group has formed, including both business owners and government staff, in order to collaborate to solve State issues. She stated that this group will be doing outreach in six regions in April.

Chair Konopa stated that State Representative Andy Olson is retiring, and it would be a good idea to meet with the new Representative.

8. OCWCOG Program Updates

CSP Manager Jennifer Moore introduced incoming *Meals on Wheels (MOW)* Supervisor Anita Lengacher. *MOW* Supervisor Lengacher stated that she is an Oregon State University graduate, with a degree in Healthcare Management. She added that she is also a retired Army Veteran.

Senior and Disability Services (SDS) Director Randi Moore stated that SDS currently has several open recruitments for positions. She stated that for SDS, PERS and the Federal budget are financial concerns. She stated that because of these concerns, some SDS recruitments are for Limited Duration positions. She stated that the timeframe for background checks is improving, as there has been a two-month backlog. She stated that Legislative representatives approved funding to decrease the backlog, with the goal being a two-week turn-around.

Community and Economic Development (CED) Director Phil Warnock stated that the *Marys Peak to Pacific Scenic Byway (Byway)* project was approved to go to the Oregon Transportation Commission for review, and then the Oregon Tourism Commission in April.

He stated that if the *Byway* is approved, a celebration will be arranged for late summer or early fall.

CED Director Warnock stated that, with the *Over the River and Through the Woods* and *Cascades to Coast Byways*, the *Byway* now connects the Cascades to the Coast. He stated that the *Oregon Scenic Byways Driving Guide* is one of the top publications the State releases, regarding tourism.

CED Director Warnock stated that *Unified Planning Work Programs (UPWPs)* have been approved for both Corvallis Area Metropolitan Planning Organization and Albany Area Metropolitan Planning Organization. He stated that State and Federal partners were extremely complimentary to the thoroughness of the *UPWPs*.

CED Director Warnock stated that *Cascades West Business Lending (CWBL)* has completed a Rural Microenterprise Assistance Program (RMAP) loan. He stated that the RMAP loan is a new loan product, and with the completion of that loan, *CWBL* has provided seven loans this fiscal year. He stated that this is an increase, compared with previous years. He added that another prospective project is in the pipeline. CED Director Warnock stated that RMAP loans are small loans to businesses in rural areas, and are more flexible with collateral considerations, which can help businesses to expand.

Commissioner Schuster asked for updates on Alyrica potentially laying broadband fiber in Adair Village. CED Director Warnock stated that he had not heard anything. Mayor Ware stated that he thinks they will get broadband in Brownsville. Commissioner Schuster asked Mayor Cline about the cost to the City of Halsey when Alyrica ran fiber there. Mayor Cline responded that there was no cost to the City, and hook-ups were free if people did it when Alyrica was coming through their area. She added that Alyrica may also be building a centralized warehouse in the Halsey area.

Executive Director Abousleman stated that Peak Internet is also building out their services, so there may be more competition in the market. He stated that Peak Internet just provided gigabit service to small towns in eastern Linn County, and enhanced DSL in Waldport.

Mayor Billie Jo Smith stated that the City of Toledo has been relying on OCWCOG's Finance department while the City is between Finance Directors. She stated that this has been going well, and has made the City more confident that the transition will go well. She also stated that she had referred someone to the SDS office in Toledo. That person went to SDS, got services, and had very positive things to say about their experience.

9. Topics of Regional Interest

Chair Konopa asked OCWCOG to set up another Regional Mayors' Meeting.

Mayor Lepin asked for a regional economic development update. Executive Director Abousleman stated that at the most recent meeting, attendees had asked for a survey of local businesses. He stated that the survey is concluding, and the report will come back via EcoNorthwest. Once completed, the group will reconvene to determine next steps. He stated that the survey was delayed somewhat, due to scheduling conflicts around the holidays, but an update will be sent soon.

Mayor Ware stated that the City of Brownsville is beginning to push for a buffer zone around the City for growing marijuana. He stated that a large grow operation was nearly developed just outside City limits. Chair Konopa asked whether the Urban Growth Boundary (UGB) could represent a buffer. Mayor Ware responded that it was possible, and they are looking to expand the UGB.

Chair Konopa stated that in Albany, any dispensary must be a minimum of 300 ft. from residential developments. She stated that this confines where they can be located. She added that any grow operations must be indoors, if they are within City limits. She stated that there are many complaints citywide, about medical grows in backyards.

Mayor Ware stated that Brownsville is planning to ask Linn County to make a buffer around the City. Councilor Mike Neddeau stated that the City needs to expand its UGB anyway. Councilor Puls stated that it is a long process.

Mayor Lepin asked whether there was a conversation about limiting grow operations. Chair Konopa stated that on farmland, the regulations are the same as other agriculture.

Commissioner Schuster stated that the Oregon Department of Environmental Quality (DEQ) has said they are working on the issue, as they deal with smells and air quality. She stated that DEQ is holding two work sessions, one on March 27th, and one on April 3rd. The first will be to get trends from growers, and the second will be to meet with the Oregon Liquor Control Commission, Oregon Health Authority, AOC, water resources, and community development resources, to explore options relating to buffer zones.

Chair Konopa stated that she is interested to see how Brownsville handles the buffer zone issue, and stated that if there is County-wide interest, Albany would likely be involved in that discussion. Mayor Ware stated that a City could declare a buffer zone, but they would have no jurisdiction for enforcement.

Mayor Cline stated that she is concerned about impacts of regulations on hemp growers, as hemp is not as odorous. She expressed agreement that the odorous marijuana plants need to be regulated.

Councilor Debbie Nuber stated that by moving growers inside, you increase electricity and water demands.

Councilor Gerson passed out brochures to the Board, which contained information about Sweet Home providing this year's Capitol Christmas Tree. She stated that Sweet Home is planning a year's worth of celebrations, and is looking for tree ornaments. She stated that 42 smaller trees are also needed for other locations in Washington, D.C., with those trees also needing ornaments. She stated that she wants local communities to be involved in providing ornaments, and that for the large tree, ornaments need to be 9"x12", and weatherproof. She stated that the tree will begin its journey in Sweet Home on November 9th, follow the Oregon Trail in reverse until it reaches Missouri, and then will be taken to Edwards Air Force Base to be put in place.

Commissioner Schuster asked who is in charge of finding and providing the trees. Councilor Gerson stated that it is a joint effort between the Forest Service and the City.

10. Other Business

Executive Director Abousleman stated that *Tapas and Treasures*, a fundraiser for *MOW*, will be held August 9th in Corvallis. Tickets will be sold for the event, which will have raffles for prizes. He stated that the event is in partnership with Rotary Club of Corvallis.

Executive Director Abousleman stated that *CelebrateLBL* will be held September 13th at the Oregon Coast Aquarium in Newport. He stated that the event will be approximately two hours long, with no large presentations. Instead, it will have a dine-around format. He stated that the start time will probably be around 5:00-6:00 p.m., and that *Regional Awards* nominations will be opened within the next few days.

Executive Director Abousleman stated that CED is still recruiting for a Transportation Section Manager. He stated that four candidates will interview soon. He also stated that 80 applications were received for the Deputy Director recruitment, with 11 candidates moving forward for Skype interviews. He stated that the goal is to narrow down to approximately four candidates, which will then interview on-site.

11. Adjournment

Chair Konopa adjourned the meeting at 3:24 p.m.

Minutes recorded by Jennifer Kelley.