



Budget Committee Meeting Packet

April 18, 2024
1:00 pm - 1:30 pm

Attend In Person:

Cascades West Albany Center
1400 Queen Avenue SE, Albany, OR 97322

Or Attend Virtually:

[Click to Join Teams Meeting](#)

**Next Budget Committee Meeting:
May 16, 2024 at 1:00 pm**

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.



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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

BUDGET COMMITTEE AGENDA

April 18, 2024
1:00 pm – 1:30 pm

Cascades West Albany Center
1400 Queen Avenue SE
Albany, OR 97322

Join Teams Meeting

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

NOTE: Please contact Angelykah Light at 541.405.8420 or alight@ocwcog.org, no later than noon on Wednesday, April 17, 2024, to confirm your attendance.

1. **Welcome and Introductions** (*Chair, Commissioner Pat Malone*)
(1:00 – 1:05 pm)

2. **Public Comment** (*Chair, Commissioner Pat Malone*)
(1:05 – 1:10 pm)

Floor will be open to the public for comment.

3. **Consent Calendar** (*Chair, Commissioner Pat Malone*)
(1:10 – 1:15 pm)

Review of the March 21, 2024 Budget Committee minutes. (Page 4)

ACTION: Motion to approve Consent Calendar items.

4. **FY 2024-25 Budget Update Memo** (*Finance Director Marit Nelson*)
(1:15 pm – 1:25 pm)

FY 2024-25 Budget Workshop Memo (Page 8)

FY 2024-25 Dues Calculation (Page 11)

ACTION: None. Information Only.



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6. Other Business (*Chair, Commissioner Pat Malone*)
(1:25 – 1:30 pm)

7. Adjournment (*Chair, Commissioner Pat Malone*)



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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

BUDGET COMMITTEE MINUTES

March 21, 2024

Hybrid Technologies Via Teams and the Albany ABC Conference Room

Attendees: **CHAIR:** Commissioner Pat Malone, Benton County; Commissioner Sherrie Sprenger, Linn County; Jesse Oakley, TBAC; Mitzi Naucler, SSAC

Absent: Commissioner Claire Hall, Lincoln County; Mayor Chas Jones, Philomath; Mayor Dean Sawyer, Newport; Jan Molnar-Fitzgerald, DSAC and Mayor Alex Johnson II, Albany.

Staff: Executive Director Ryan Vogt; Finance Director Marit Nelson; Technology Services (TS) Director Jason Sele; HR Manager Ryan Schulze; Senior and Disables Services (SDS) Director Randi Moore; Community and Economic Development (CED) Director Jaclyn Disney and Executive Assistant Angelykah Light

Public: There were no members of the public in attendance.

1. Welcome and Introductions

The Oregon Cascades West Council of Governments' (OCWCOG) Budget Committee meeting was called to order by Chair Commissioner Pat Malone at 1:01 pm via Teams Video and Audio Conferencing, and in-person attendees. The Meeting attendees skipped introducing themselves.

2. Public Comment

There were no public comments.

3. Consent Calendar

Commissioner Hall moved to approve the consent calendar including the meeting minutes from the July 20, 2023, Budget Committee Meeting Page (3). Commissioner Sprenger seconded the motion. With no objections, the minutes were voted upon and approved.



4. Discuss FY 2024-25 Budget Process

Finance Director Nelson began by referring to a memo in the budget packet showing some of the steps and information including challenges so far in the budgeting process.

Full-time equivalency sheets have been started that information has gone out to program managers and directors to look at where their staffing currently is, as well as where they would like it to be for the coming year given the projects, goals, and objectives for the coming year.

Finance Director Nelson stated there has been focus on the strategic plan and meeting those goals and objectives on a quarterly basis while outlining how we can get from point A to point B. We use that as an indicator for looking into the next year.

Currently we are trying to sit between two finance systems, and it has been a challenge. We have moved most transactions into NetSuite for Government modules, but our payroll is still sitting in the previous system- Springbrook. Because of the adjustments made to our chart of accounts, we will live in two systems. Personnel remains in the former (Springbrook) and the rest of the expenses in the new chart (NetSuite).

It has been a struggle to get the reporting values lined up. There has been conversations and considerations to better alignment and better tracking- where should they go not where do we think they should go. There is an intention to ensure it is all nice and clean for the coming year.

Finance Director Nelson stated we have been working closely with Community Services Consortium (CSC) on how those products roll out, how the reports look, and how they get to our program managers or directors. It has been more challenging. Finance Director Nelson states she feels more behind compared to last year, but everyone has been very supportive, and we are starting to see some things click within the last week.

Finance Director Nelson stated she included the dues calculation in the packet for the coming fiscal year. Last year, the CPI we used was high (almost 9%). This would be a big lift for our smaller communities. We suggested several options for lowering the rate to reduce impact. It was decided one of the alternatives agreed upon by the Board, was to make a one-time adjustment of not imposing the special dues for the year. Special dues are a 5% add on to the overall total dues. Special dues are for general administration, or special board projects that allow us to do something different than we normally would. It's not matching dollars; it's not tied to programs. It is an opportunity for us to try new things. Last year it was reduced to 0% to reduce the impact on our communities. Being that our CPI is now back to a "regular" type CPI, those have been folded back in as a part of the draft that is included in the packet to see where the dues would land for the upcoming Fiscal Year that would be rolled into the budget.



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Finance Director Nelson reported we have also, over the course of the last year, negotiated two lease agreements. One lease renewal, and one new lease. We lease office space in Albany to the state vocational rehab services with a new rate becoming effective in November of this year. The Albany lease has been finalized for another four (4) years. With the purchase of the Corvallis building and bringing in CSC, we also have some lease revenue coming in that will offset some of the expenditure we expect to have in our facilities budgets. That income will be used as offsets for various things including our five (5) year capitol plan for our different properties, the facility's staff, utilities, and other various costs that are associated with the facilities budget.

Full-time equivalency sheets will be charged out in the new budget and will be compared to the old budget. What we already know about next year from a personnel stand point: COLA is at 4% per the collective bargaining agreement. We estimate a 3.5% increase in health insurance for the coming year. That rate won't be known exactly until OEBB provides it to us. We are utilizing a static rate for our PERs rate because it is a two-year biennium rate that is implemented in the odd years. Our blended rate is based off the number of OPSRP employees: tier 2 and tier 1, we're landing at about 22.5% for PERs and 6% for the employee pick up that we budget for as an expenditure. We are considering 223.5 FTE. Referring to page two (2), that is about eighteen (18) more than were budgeted for in the current fiscal year. We are now doing work with CSC in the IT and HR departments and seven (7) of those staff were recruited and acquired to be brought on at the COG as a part of the contract service. Jesus was added to provide support to help us with the transition. We also have two other FTE budgeted that are vacant right now but are intended to provide additional support in Human Resources and the Finance Department as we continue to work through additional implementations of HR software, payroll software, and increase in workload as we are trying to get the new systems settled. As the staff increases, other things increase and it becomes harder and harder to do your tasks effectively and efficiently. Three new grant writing positions are available that are tied to specific funding opportunities for the CED department, and a volunteer coordinator which is a OPI OAA position that we received funding for and have recently added. Also, the facilities work went up a half time FTE for the maintenance of building increases which has now increased to a full time FTE. We also have some realignment of staff in our programs to better identify the needs of our consumers and implementation of various programs and projects that are either self-imposed or state requirements and things of a similar nature.

Finance Director Nelson stated right now projected personnel costs is sitting at about \$26.5 million with all the previous factors considered. We are paying attention to other inflationary factors, our own region, and other national changes.

Our next step for the budgeting process is to finalize all the staff needs and estimations for the upcoming fiscal year. The fiscal year audit draft numbers came in yesterday. The suggested journal entries will not have much impact on any of our beginning fund balances .



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Some of it is just recategorization from one type of revenue to another but keeping it in the same fund and department. We will finalize those and add our beginning balances to our current year projections.

Then the next step is to create and finish all those budgets that have an indirect costs impact on our programs. Including: facilities, rental costs, general administration, human resources, IT, finance, and they all feed expenses into program budgets and their indirect rates. They can then finish looking at their resources and provide a balanced document in May.

NetSuite (our financial software) has a separate budgeting module. NetSuite has been working with Finance Director Nelson on starting to utilize that and starting to pull information from the general ledger and pull in previous years budget information and create automatically forecasting. Next week Finance Director Nelson will be creating the budget for indirects and providing that information to our program managers and directors so they can start building their budget in the beginning of next month. They will have about three weeks to do that. We will have a draft document by the next meeting.

Finance Director Nelson followed up by asking if there were any questions.

Commissioner Malone stated he had just come from a CSC meeting in the morning and wanted to know the frequency of contact Finance Director Nelson has with the CSC Finance person Katie.

Finance Director Nelson stated she meets with the CSC finance person on a weekly basis and meets regularly regarding the new NetSuite software and the use of budgeting module. Additional meetings are held to discuss budgeting and accounts.

Commissioner Malone asked for any additional questions.

5. Other Business

No other business was discussed.

6. Adjournment

Chair Commissioner Pat Malone adjourned the Budget Committee meeting at 1:23 pm.

The next regularly scheduled OCWCOG Budget Committee Meeting is April 18th, 2024, at 1:00pm.

Meeting minutes taken by Angelykah Light.



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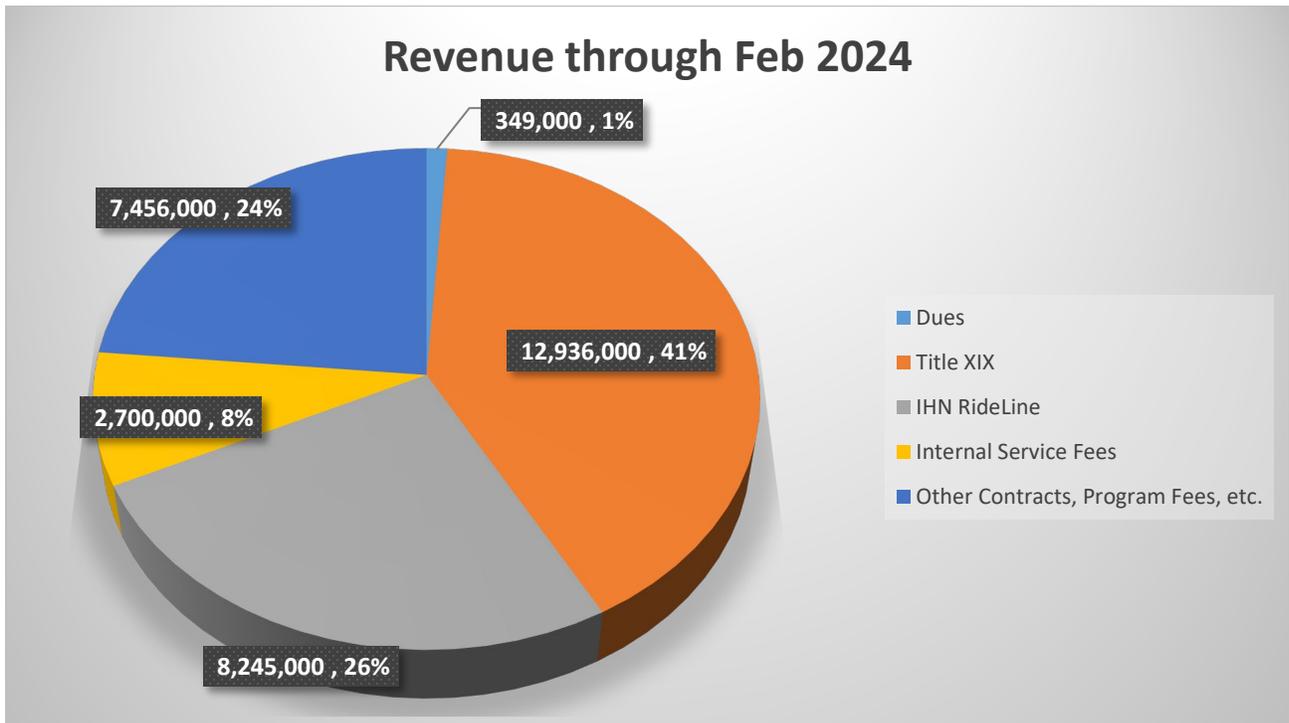
MEMORANDUM

DATE: April 18, 2024
TO: OCWCOG Budget Committee
FROM: Finance Director, Marit Nelson
RE: **Fiscal Year 2024-25 Budget Workshop**

As a follow-up to our budget introduction in March, today we are providing additional information regarding the status of our current budgeting process. Feedback and input are welcome as we work toward finalizing a document for your review and approval in May.

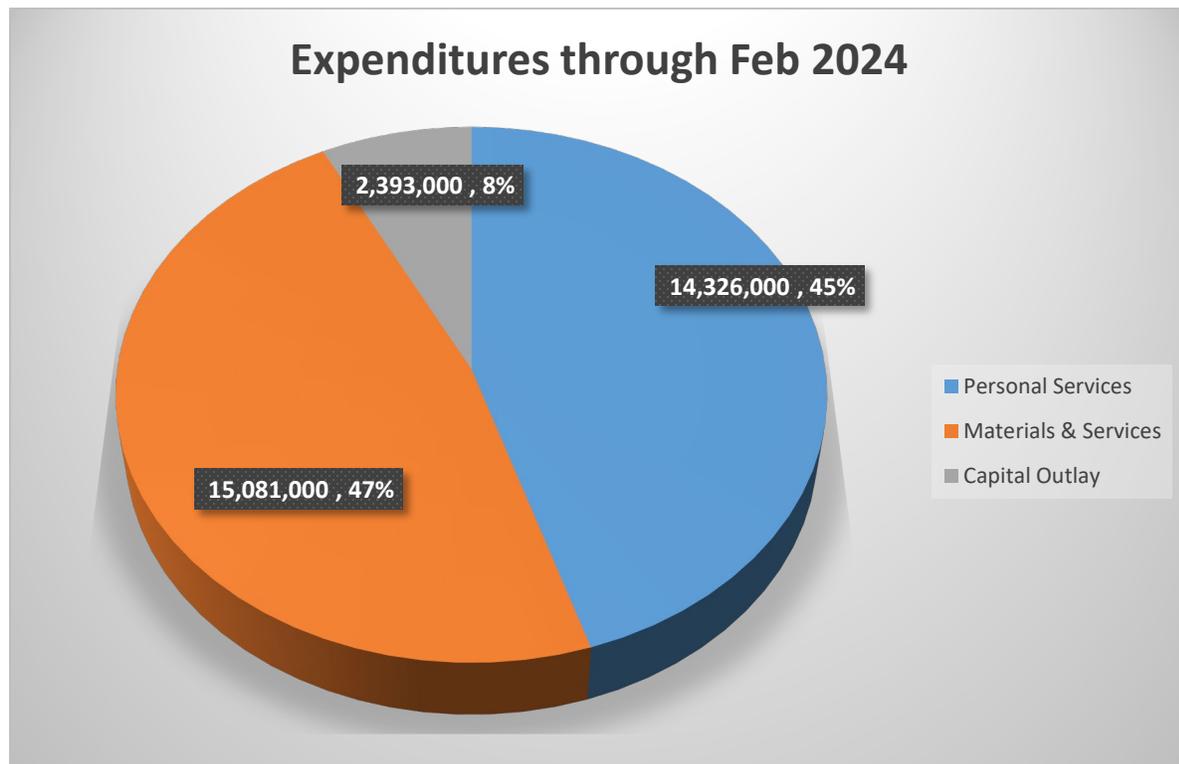
Our fiscal year 2023-24 budget was adopted with \$65,500,000 million projected in revenue and \$52,600,000 projected in expenditures with almost \$11,000,000 as unappropriated.

As of February 2024, our accrued revenues total ~\$31,686,000. These include values from two of our most active and consistent programs: Title XIX and IHN RideLine. Title XIX funding has been billed at approximately \$13,000,000 through February and IHN RideLine invoices have totaled approximately \$8,500,000. Dues revenue for the agency is \$349,000. Additional revenues include Internal Service Fees at \$2,700,000, and Other Contracts, Program Fees, interest earnings, etc. Beginning fund balances, projected in the current fiscal year budget at ~\$17,000,000, will be added to our financial statements with March 2024 close.



Over the same time period, our accrued expenditures total ~\$31,800,000. Personal Services makes up \$14,326,000 of those costs, capital outlay comes in at \$2,393,000 and the remaining balance are

costs associated with materials and services including contractual agreements and internal service charges.



As presented last month, the following steps have already been completed as a part of the current budgeting process:

- The Dues calculation includes CPI of 4.4% and an estimated regional population increase of 6300 residents for the year.
- Interest yield for Local Government Investment Pool is currently at 5.2%. The Federal Reserve has plans to drop the interest rate by .25% three times during 2024. I have considered that decrease in the calculation for interest in the coming year.
- Rent costs are projected to increase approximately 3% following the average estimated in our external agreements and local trends.
- Full Time Equivalency sheets have been reviewed and updated. We have used these estimations to begin the process of calculating not only personnel budgets, but also indirect costs and allocation of rent and the cost associated with space. Current estimates total \$28,420,000 supporting 235.5 FTE.
- In a continuing effort to improve and integrate our systems, a payroll system implementation is planned for the first quarter of the fiscal year. The licensing costs for the system will be slightly less than the licensing currently being paid and one-time implementation fees of ~\$85,000 are expected to be incurred.
- It is expected that our Tech Department will replace 86 computers this year as a part of our 4-year replacement cycle. Each replacement is estimated at \$2230. These costs are budgeted to the funds and departments associated with individual users. Software licensing costs for Microsoft 365 are also budgeted at the employee level and is expected to be \$427 per person.

The next steps in our process are to formulate the fund and program budgets. Currently, Program Directors and Managers are working on pulling the details of their various projects and corresponding projected revenue from contracts and intergovernmental agreements to expenditures. The budgeting and planning module being used within our new finance system is providing the



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structure for this process. Each Director and Manager has the option to budget at a grant and/or project level. These values will be accumulated and rolled up into departments, funds and ultimately overall agency budget that will be presented in May. One of the advantages of using this system is the connectivity that it has to the general ledger and eventually payroll data. Future budget development, indirect rate calculations and FTE sheet creation will start with this system and many of the manual calculations we do currently will be simplified or automated.

It is our goal to complete draft department budgets by April 19th. We will use the two weeks following to solidify calculations and requests to ensure a balanced document. A final proposed document will be prepared for distribution with the Budget Committee packet the week of May 9th. It will include program descriptions and goals for the coming year which contribute to the manner in which the budget is being created.

As always, if there are any questions about our processes or other factors that we consider during the creation of the document, please do not hesitate to let me know.

	FY 2024 Dues	Pop Estimate 12/15/2023*	General Dues	CED Dues	Trans Dues	TOTAL DUES	Special Projects	TOTAL FY 2025 DUES	CHANGE FROM FY 23-24
Benton County									
Adair Village	\$2,008.26	1,496	\$1,457.61	\$489.84	\$300.00	\$2,247.45	\$112.37	\$2,359.82	\$351.56
Corvallis	\$78,698.47	61,669	\$60,086.39	\$20,192.39	\$4,658.21	\$84,936.99	\$4,246.85	\$89,183.84	\$10,485.37
Monroe	\$1,201.51	763	\$743.42	\$249.83	\$300.00	\$1,293.25	\$64.66	\$1,357.91	\$156.40
Philomath	\$7,756.78	5,823	\$5,673.56	\$1,906.64	\$711.52	\$8,291.72	\$414.59	\$8,706.30	\$949.52
N. Albany **		9,178			\$0.00				
Unincorporated	\$25,673.91	20,426	\$19,901.81	\$6,688.12	\$1,743.53	\$28,333.46	\$1,416.67	\$29,750.13	\$4,076.22
Lincoln County									
Depoe Bay	\$2,252.65	1,569	\$1,528.73	\$513.74	\$300.00	\$2,342.48	\$117.12	\$2,459.60	\$206.95
Lincoln City	\$13,667.60	10,372	\$10,105.82	\$3,396.12	\$1,033.00	\$14,534.95	\$726.75	\$15,261.69	\$1,594.09
Newport	\$14,486.75	11,083	\$10,798.58	\$3,628.93	\$1,083.25	\$15,510.75	\$775.54	\$16,286.29	\$1,799.53
Port of Newport ***	\$4,466.76	10,800		\$3,536.26	\$1,063.25	\$4,599.51	\$229.98	\$4,829.49	\$362.72
Siletz	\$1,854.89	1,242	\$1,210.13	\$406.67	\$300.00	\$1,916.80	\$95.84	\$2,012.64	\$157.75
Siletz Tribe	\$550.00	-	\$250.00	\$0.00	\$300.00	\$550.00	\$27.50	\$577.50	\$27.50
Toledo	\$4,851.20	3,622	\$3,529.05	\$1,185.96	\$300.00	\$5,015.01	\$250.75	\$5,265.76	\$414.55
Waldport	\$3,228.98	2,350	\$2,289.69	\$769.46	\$300.00	\$3,359.16	\$167.96	\$3,527.11	\$298.13
Yachats	\$1,624.21	1,006	\$980.18	\$329.40	\$300.00	\$1,609.58	\$80.48	\$1,690.06	\$65.85
Unincorporated	\$12,866.92	9,886	\$9,632.30	\$3,236.99	\$998.65	\$13,867.94	\$693.40	\$14,561.34	\$1,694.42
Linn County									
Albany	\$75,912.56	57,997	\$56,508.62	\$18,990.06	\$4,398.71	\$79,897.39	\$3,994.87	\$83,892.26	\$7,979.70
Brownsville	\$2,558.14	1,846	\$1,798.63	\$604.44	\$300.00	\$2,703.07	\$135.15	\$2,838.22	\$280.07
Halsey	\$1,487.05	952	\$927.57	\$311.72	\$300.00	\$1,539.28	\$76.96	\$1,616.25	\$129.19
Harrisburg	\$4,851.20	3,660	\$3,566.07	\$1,198.40	\$300.00	\$5,064.47	\$253.22	\$5,317.70	\$466.49
Lebanon	\$26,235.84	20,337	\$19,815.09	\$6,658.98	\$1,737.24	\$28,211.31	\$1,410.57	\$29,621.87	\$3,386.03
Millersburg	\$4,217.78	3,206	\$3,123.72	\$1,049.75	\$300.00	\$4,473.47	\$223.67	\$4,697.14	\$479.37
Sodaville	\$746.39	357	\$347.84	\$116.89	\$300.00	\$764.73	\$38.24	\$802.97	\$56.58
Sweet Home	\$13,618.80	10,028	\$9,770.65	\$3,283.49	\$1,008.69	\$14,062.83	\$703.14	\$14,765.97	\$1,147.17
Tangent	\$1,824.96	1,218	\$1,186.74	\$398.81	\$300.00	\$1,885.55	\$94.28	\$1,979.83	\$154.87
Unincorporated	\$39,649.58	29,205	\$28,455.69	\$9,562.70	\$2,363.96	\$40,382.35	\$2,019.12	\$42,401.47	\$2,751.89
TOTAL	346,291.24	280,091	\$253,687.90	\$88,705.59	\$25,000.00	\$367,393.49	\$18,369.67	\$385,763.17	\$39,471.93

*population estimates from PSU 2023 Report

**Included in City of Albany population estimate, should not be included in Benton Co total

*** Port of Newport population estimate from Port's webpage and is not included in the unincorporated

FY 25 General dues rate: FY24 rate of .933273 x Seattle CPI-U of 4.4%

FY 25 CD dues rate: FY24 rate of .313632 x Seattle CPI-U 4.4%

Special Regional Projects assessed at 5% of total due

	General Dues	CED Dues
Prior year	0.933273	0.313632
New CPI%	4.40%	4.40%
Prior Yr * New %	0.041064012	0.013799808
TOTAL	0.974	0.327

Special Dues	5%
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