

AGENDA
Mid-Willamette Valley
Council of Governments
EXECUTIVE COMMITTEE

December 4, 2019
3:30 p.m.
100 High Street SE, Suite 200
Salem, Oregon

Call to Order – *Cathy Clark*

Approval of Minutes of September 9, 2019 and October 23, 2019 Pg. 2-8

Fiscal Year 2020-21 COG and EDD membership dues Pg. 9-16

1. Review Membership Committee Report/Recommendations
2. Make Recommendation to the Board of Directors for FY 20-21 dues.

Nomination of Executive Committee members for 2020 Pg. 17

Review materials on compensation/retirement Pg. 18-22

Review 2020 COG Board and Executive Committee meeting schedule Pg. 23

Approve agenda for December 17th Board meeting Pg. 24-25

Executive Director's Report

Other business

Adjournment

The Mid-Willamette Valley Council of Governments is pleased to comply with the Americans with Disabilities Act (ADA). If you need special accommodations to attend this meeting, please contact Denise VanDyke at (503) 588-6177 at least 48 hours prior to the meeting. Hearing impaired, please call Oregon Telecommunications Relay Service, 7-1-1. Thank you

**MINUTES OF SEPTEMBER 9, 2019
EXECUTIVE COMMITTEE
MID-WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS**

Salem City Manager's Conference Room
555 Liberty Street SE, Room 220, Salem, Oregon

MEMBERS PRESENT

CHAIR: Mayor Cathy Clark, City of Keizer

VICE CHAIR: Jackie Franke, Chemeketa Community College (by phone)
Commissioner Mike Ainsworth, Polk County (by phone)

MEMBERS ABSENT

Councilor Sal Peralta, City of McMinnville

OTHERS PRESENT

Sean O'Day, Executive Director
Denise VanDyke, Admin. Specialist II
Renata Wakeley, Community Development Director
Mike Jaffe, Transportation Director
Greg Smith, Finance Director

CALL TO ORDER & INTRODUCTIONS

Chair Clark called the meeting to order at 3:33 p.m. Attendance was noted and the presence of a quorum announced.

APPROVAL OF JULY 25, 2019 MINUTES

MOTION: By Ms. Franke, SECONDED by Commissioner Ainsworth, to APPROVE THE MINUTES OF JULY 25, 2019, AS PRESENTED.

Motion carried. IN FAVOR: Ainsworth, Clark, Franke. OPPOSED: None. ABSTAINED: None.

COMPENSATION STUDY FOLLOW UP

Mr. O'Day provided a synopsis on the background of the executive level compensation study. The gist of the report received is that the COG is within the market when looking at salaries, but not when considering benefits. Today's report is the result of the information requested at the last meeting. There are two main items to discuss: a leave cash out policy, and the retirement benefits. Staff is asking for separate recommendations to the Board for each item.

In the staff report, the old leave cash out policy is included. This policy has controls in place to avoid abuse of the cash out policy. Mr. O'Day explained that there is no staff recommendation, as all of the staff would have a conflict of interest, as they could directly benefit from a decision on this matter. During discussion, Mr. O'Day clarified that the maximum leave accrual amount is 320 hours, which is included in the budget, as the employee would need to be paid for that time if they were working or if they used their leave time. Departments are charged a leave rate as an internal mechanism for budgeting purposes. Thus, this policy would be cost neutral to the organization.

Consensus was to recommend to the Board a return to the old leave cash out policy, as stated in the staff report.

Mr. O'Day referred to the staff report, and the tables provided comparing the COG retirement package to PERS. This is, essentially, an apples to bananas comparison – both are fruit, but very different otherwise. He explained how the COG and PERS retirement benefits work. There is no staff recommendation for the same reasons as mentioned previously. Any changes to the 401a program would need to be applied to all employees, however there are some deferred compensation products that could be applied to management only, if that was desired.

In discussion, Mr. O'Day clarified how the probationary period works into the retirement benefits for COG employees. After an employee finished their six month probationary period, they are entered into the retirement program and receive a onetime six percent raise to cover the mandatory six percent contribution to the 401a program. The 401a program is mandatory, and does not allow for any voluntary changes to the contribution amounts. The deferred compensation program is voluntary and more flexible. The maximum deferred compensation contribution is currently \$19,000 per year, per IRS rules (it goes up slightly each year), for those under 50 years in age. After age 50, there is a higher maximum for “catch up” years, per IRS rules. Mr. O'Day explained that, currently, the COG does not contribute to the employee's deferred compensation.

As shown in the LGPI report, the retirement benefits are lagging because the Board has not actively undertaken a review of the COG's retirement plan design. While changes now will benefit current employees, Mr. O'Day said the real beneficiaries are future employees and that a phased-in plan works. Under consideration modifying the 401a employer contribution and/or adding an employer contribution to the deferred compensation plan to increase the overall value of the COG's retirement benefit.

Consensus was that this is a very technical and confusing subject. Questions raised for discussion included: what would make the COG competitive, what would be equitable to our members (almost all of whom are PERS employers), what will incentivize employees to take advantage of the options available. The idea of changing over to PERS was mentioned. This would need a lot more study and research. Generally, those who can are going towards a defined contribution plan instead of a defined benefit plan. It can be costly to do a defined benefit plan, and would be expensive to make a plan equal to the PERS benefits. Up until recent changes, PERS had a work restriction after retirement, which made the COG a good place for PERS retirees to work because it is not a PERS participating employer. This has now been removed by Legislature for the next

five years. With the restriction lifted, it will be more difficult to recruit PERS retirees for COG positions for the next five years.

Mr. O'Day explained there are no other enhancements that can be made to the 401a program to make it more attractive: it is inheritable, portable, and employees have full control over the investments.

Chair Clark summarized the options that are available for consideration:

- Adding an employer contribution to deferred compensation/possibly with an employee match (can be for select personnel)
- Picking up the employee's six percent (6%) contribution to the 401a (would have to be uniform across the organization)
- Increasing the employer contribution to the 401a (would have to be uniform across the organization)

The Committee requested an analysis of the costs of the above be brought back to the next executive committee meeting. Consensus was that the Committee is not ready to make a recommendation on this item, but would prefer to review the analysis first.

REVIEW OF SEPTEMBER 23, 2019 BOARD AGENDA

Mr. O'Day quickly reviewed the draft Board agenda for September 23rd. Mayor Clark noted Item F4 may be pulled from the consent agenda for discussion. This resolution would authorize continuing to provide staff and financial agent support to the effort to develop a Continuum of Care (CoC), in the same manner as the COG has provided support to the Mid-Willamette Homeless Initiative. As this point of the process, housing the CoC development council seems appropriate. Staff anticipates discussion about hosting the CoC, itself, in December. We may be adding a piece on the Safe Routes Coordinator to the Action Items, which would be a preliminary authorization to sign an intergovernmental agreement with the Oregon Department of Transportation (ODOT), subject to specific terms and conditions. While the intergovernmental agreement will not be ready in time for the September meeting, this would make it so staff did not have to wait for the December meeting to move forward, presuming that there were no substantive discrepancies between the final agreement and the terms and conditions assumed. Consensus was to go forward with the resolution regarding the Safe Routes agreement. Mayor Clark expressed her excitement regarding the awarding of the Safe Routes grant. Mr. O'Day gave kudos to Mr. Jaffe for this work on this issue.

REPORT ON CONSULTANT CONTRACT FOR GOAL SETTING/FACILITATION SERVICES

Mr. O'Day gave some background. This staff report is the result of information requested by the Committee regarding the possibility of contracting out goal setting and facilitation services. Last spring, the COG received more requests for goal setting facilitations than staff (mainly Mr. O'Day) had capacity to handle. Various options were discussed, and using a contractor seemed to be the best option. A proposal from one contractor – John Morgan – is included in the agenda packet. Does the Committee want staff to pursue this option, or do you want to go in a different

direction? Ms. Franke stated that, whatever the decision, we need to make sure the COG is doing what is best for the members and looks best. The committee agreed. Clear communication to the members will be needed so they know that their dues pay for X level of service; if they want Y level of service, it will cost a specified rate; and if they want Z level of service, it will cost a higher specified rate. It was pointed out that the COG will look good simply having arranged for a contractor to provide these services at a beneficial rate. The contractor will also benefit, as the COG will be marketing for them.

It was asked if we need to put out a Request for Proposals. It should be possible to do a pilot program with Mr. Morgan now and issue a Request for Proposals/Qualifications to expand the program later. Use a year to gather data and possibly offer slightly different service packages. It is allowable to “sole source” at this time, because COG would be entering into a marketing agreement, not purchasing goods or services for the COG. Ideally, there should be a menu of service packages with set rates. Usually the scheduling of goal setting can be somewhat flexible, but we will need to figure out how to avoid conflicting with Mr. Morgan’s other clients and who will have priority.

Consensus was to authorize Mr. O’Day to move forward with discussion with Mr. Morgan, and review the program in nine to twelve months. Mr. O’Day will bring a request for authorization to sign an agreement with Mr. Morgan to the December Board meeting.

MEMBER DUES/EDD ASSESSMENT COMMITTEE UPDATE

Ms. Franke stated that her takeaway from the committee meetings is that there are a lot of opinions, a lot of options, and no one wants to pay more dues. However, she believes that the Board will be pleased in the end. Mr. O’Day added that at its last meeting, the committee looked at a small flat dues model, where revenues went just to cover a small part of the overhead, which would require a drastic remodel/reduction in member programs. The committee was not interested in that, but did think a revamping of the dues formula was advisable. Mr. O’Day reported that the committee gave staff some guidelines and principles to work with to create some models for their further review. These guidelines and principles included:

A rate based dues model (create a target amount, then use a formula to divide it between members)

Building reserves (amount to be included in the target amount)

In developing the formula, keep the minimum and maximum caps, and the population element, while adding an element related to ability to pay (permanent tax rates or general fund amount).

For the Economic Development District (EDD) assessment, the committee determined that there should be no more double counting population for the Counties, but this needs to be done in a way that does not overwhelmingly increase the assessment on any of the cities. Also, a minimum and maximum limit should be included, and special districts who benefit from the EDD should also pay into the program.

Staff sought feedback from the Executive Committee on whether the Committee is headed in the right direction. The Committee indicated the ability to pay, such as considering a city’s permanent tax rate is a good criteria to consider. County assessments would stay about the same

or decrease, due to the reduction in population included for the EDD assessment. There is some negotiation possible in what the final formula looks like.

Mr. O'Day thanked the committee for its input and said staff will be able to work with the committee more in developing models once the annual audit is finished. The intent is to bring a recommendation to the Executive Committee in November/December for a final recommendation to the full Board in December.

EXECUTIVE DIRECTOR'S REPORT

Mr. O'Day reported that he has been contacted by Cascades West COG and Lane COG, who are looking at merging their business loan programs and that the Executive Committee should be prepared to be asked whether the COG would desire to participate in the merger. There would need to be a lot of discussion and analysis to determine if we would want to entertain this idea. This is mainly a 'heads up' and we will probably hear more by December. There are many questions to be answered. The intent would be to form a completely new entity, spun off entirely from the COGs. This would not help prevent any risk from CDCs, as we have had to deal with in the past.

Mr. O'Day also sought the Committee's perspective on a recent request by SEDCOR if the COG could provide financial services to SEDCOR on a fee-for-service basis. The general consensus was if the COG had the capacity and it was cost neutral, doing so would be beneficial in the interests of interregional cooperation.

ADJOURNMENT

There being no further business, Mayor Clark adjourned the meeting at 5:22 p.m.

Sean O'Day, Executive Director

**MINUTES OF OCTOBER 23, 2019
EXECUTIVE COMMITTEE
MID-WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS**

Mid-Willamette Valley Council of Governments Offices
100 High St SE, Suite 200, Salem, Oregon

MEMBERS PRESENT

VICE CHAIR: Jackie Franke, Chemeketa Community College (by phone)
Commissioner Mike Ainsworth, Polk County (by phone)

MEMBERS ABSENT

CHAIR: Mayor Cathy Clark, City of Keizer
Councilor Sal Peralta, City of McMinnville (later phone conversation)

OTHERS PRESENT

Sean O'Day, Executive Director
Darnell Caruth, Fiscal Assistant

CALL TO ORDER & INTRODUCTIONS

Vice Chair Jackie Franke called the meeting to order at 12:10 p.m. Attendance was noted.

REVIEW OF NOVEMBER 6, 2019 BOARD AGENDA

Mr. O'Day reviewed the draft Board agenda for November 6th. Jackie Franke had a question regarding Item D4. Ms. Franke asked whether there would be income for the COG. Sean O'Day explained how the services agreement with John Morgan for goal setting would work. Ms. Franke would like to see some revenue in the future for our referrals and promotion of the contractor.

November 6th board agenda was approved by consensus.

CONSIDERATION/DIRECTION TO EXECUTIVE DIRECTOR ON UPCOMING CONTRACTS

The discussion of the contracts for MWVCOG intergovernmental agreement with Marion County for contract management of engineering firm on behalf of North Santiam Joint Sewer Task Group (Phase II) and MWVCOG contract with engineering firm selected for completion of Master Plan Engineering and Design Project Management (on behalf of Marion County and North Santiam Joint Sewer Task Group) was tabled for the December meeting.

ADJOURNMENT

There being no further business, Ms. Franke adjourned the meeting at 12:16 p.m.

Sean O'Day, Executive Director



Issue

- ## Background

A per capita rate is established (currently 0.460) and multiplied by the jurisdiction's population as determined by Portland State Population Research Center. Because dues are required to be approved by the Board of Directors at their December meeting, the data we use is the most current available from published sources in November. The per capita rate is adjusted each year by the Consumer Price Index (CPI) for all wage earners in the Seattle area. The minimum and maximum amounts were previously established by the Board of Directors and have been adjusted by the CPI beginning in FY 2007-08. In 2019,

the Board voted to use the Seattle CPI-W as the index (because the Bureau of Labor and Statistics was discontinuing the Portland-Salem CPI-W)

Historically, the methodology for calculating Economic Development District Local Share Fees is as follows:

The total amount of cash match required for the EDA grant, (currently \$75,000 for FY 2019-20). That figure is multiplied by the percentage of the jurisdiction's population to the total population of the area served.

In FY 2012-13, a concession was granted to Polk County to reduce their member dues to \$5,000 because of loss of timber funds that created a financial hardship on the County. It was agreed that Polk County member dues would increase at least 5 percent (regardless of the CPI) until the dues deficit was made up. Currently the deficit amounts to \$14,327.

In December 2018, the Board created a subcommittee (known as the Membership Subcommittee) to evaluate and report back to the Board on what changes, if any, should be made to the dues and EDA assessment schedule. The committee's report is attached to this memorandum.

Also attached to this memorandum are the dues and assessment schedules showing both the current practice as well as the dues structure as recommended by the Membership Committee.

Recommendation

After reviewing the Committee's report, staff desires the Executive Committee make a recommendation to the Board on which methodology/dues schedule to adopt and whether to create an Affiliate Membership category and a Business Partner program.

Discussion

With respect to dues, current practice would have the Board adopt a dues schedule with a 2.2% increase (Seattle CPI). The Membership Committee is recommending a methodology that begins with the Board setting a target amount. For purposes of discussion, the attached schedules show the 2.2.% increase in one column. The other shows the results of the Membership Committee's recommendation if an additional \$20,000 was added to the total figure raised under the current methodology. That \$20,000 would be used to help build the fund balance as well as go to pay for upfront costs associated with providing new services and positions (human resource and communications positions).

The EDA assessment table shows both current practice, and the Membership Committee's recommendation, which is to maintain status quo, but to add a few other special districts that benefit from the EDA activities, and to raise the minimum assessment by the Seattle CPI in the future.

Finally, because the Membership Committee is also recommending the creation of an Affiliate Membership category (for non-profits and other government agencies that are ineligible to sign the 190 agreement) that would provide access to COG programs and services, and Business Partner program that would provide access just to COG publications and events, for discussion purposes staff recommends membership fees would be \$500. If the Executive Committee desires to recommend the creation of those categories, staff will prepare resolutions for the December Board Meeting.

Attachments:

- Membership Committee Report
- Draft Dues Schedule
- Draft EDA Assessment Schedule



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: November 4, 2019

FROM: Membership / Dues Committee

RE: Final Report on Dues Structure

Background

In December 2018, the Board created a Membership / Dues Committee to evaluate to undertake a review of the COG's current practices with respect to its membership dues. The Board appointed Ms. Jackie Frankie, Vice Chair, to chair the committee, which was made up of appointed officials (managers) who had volunteered to serve on the Committee: specifically, John Lattimer from Marion County (later replaced by Lisa Trauernicht), Steve Powers from Salem, Mac Corthell from Falls City, Kenna West from Willamina, and Amber Mathiesen from Mount Angel.

The specific task of the Committee was to evaluate and make recommendations on:

- The methodology used to establish member dues;
- How dues revenues should be spent;
- The methodology used to establish the Economic Development District (EDD) assessment;
- Whether the COG should establish additional membership categories for other government entities (i.e. ORS 190 entities) and if so what methodology to apply, and what programs and services should be available to them;
- Whether the COG should establish a business partner program whereby private sector entities desiring to partner with the COG could pay a fee, and if so what fee to charge and what services to provide; and
- Any other matters the committee identifies warranting review and the Board's consideration.

Discussion

The Committee met three times over the course of nine months. It began its work by reviewing the current program offerings, financial structure of the Council of Governments, the historical use of dues revenues, and dues practices of other regional governments. The Committee carefully examined the current dues and EDA assessment structures and considered numerous alternatives. After much thoughtful evaluation and discussion, the committee arrived at the following conclusions/recommendations to the implied questions in the task presented.

By what percentage or fixed amount should member dues contribute to the fixed operating costs of the operation (admin costs)?

Dues currently pay for approximately 20% of the total administrative costs. The remainder is charged to other program areas (transportation, business lending, community development, etc.). Administrative costs are paid using a formula that assesses each program area a fee based on the total number of FTE assigned to that program area. Consequently, to increase the amount of dues going towards administration, would require budgeting more FTE in the member services department (where the member dues are derived). The committee does not recommend any changes to this arrangement.

Should member dues be used to offset the costs of individualized member programs? What other purposes should member dues be put towards?

Dues should not be used to subsidize costs of programs that provide individual specific membership benefits (i.e. recruiting, goal setting, charter review, land use planning, etc.) Rather, the cost of those programs that provide members a specific benefit should be recouped in the form of fees, that should be set at a level designed to cover that program area expenses and builds an operating reserve so that member dues are used as a last resort to assist those programs during difficult financial times. However, given the low percentage of administrative costs that member dues currently cover, the Committee recognizes that dues revenue be used to build an operating reserve that can be used for both unforeseen financial challenges in other program areas as well as funds to be used to start up new member services, discussed more below.

What services should be covered by dues?

Dues should be used to start new programs and to pay for activities that strengthen the region generally and benefit the membership as a whole, such as publications, training, annual dinner. As discussed above, dues should not be used to cover the costs in whole or in part to pay for specialized services that specifically benefit an individual member (such as goal setting, recruitments, evaluations, etc.)

What services should be provided on a fee-for-service basis?

Any service that is specialized and tailored to provide a direct benefit to the member should be paid for on a fee-for-service model such as land use planning, attorney

services, strategic planning, human resources, etc. As noted above, the Committee recommends fees for those programs be set at levels that allow the program to build its own operating reserve to cover expenses during leaner times. Although dues are an appropriate source to cover program losses, they should be used as a last resort and not on a regular or recurring basis.

What methodology should be employed when setting dues? (flat rate, current methodology, budget, tax rate, etc).

The Committee does not recommend any change to the current methodology to determine dues, provided however, that rather than increase dues by a percentage based on CPI, the dues should be based on a target revenue figure (which can go up or down) based upon the estimated costs of providing member services plus an additional amount needed for other purposes, such as building operating reserves, or generating funds to support new initiatives.

What methodology should be employed when setting the EDD assessment?

The Committee does not recommend any change to the current methodology to determine the EDD assessment, provided however, The methodology used should raise the amount of money needed to provide a local match to the EDD grant (currently \$75,000) and should be based upon population for member cities and counties. The minimum fee should be set at \$150 and increased each year based on CPI (using the Seattle Index). The methodology should include an assessment for special districts that obtain benefits from the EDD (WESD, Transit District, Chemeketa, and the School District) at a rate of \$150 as well.

New Question: Should the COG establish a “dues” category for non-profit organizations, intergovernmental entities, and private sector organizations that desire to participate in COG programs and services?

Yes. The COG is a member of several regional entities, such as SEDCOR and Travel Salem, and providing a membership category for those types of entities in the COG would allow for in-kind reciprocal memberships with them and other similar entities (i.e. chambers of commerce, LOC, AOC, etc). The COG should also create a membership category for other 190 entities (such as MINET) that desire access to the COG’s publications, training, and fee-for-service services. Finally, the COG should create a business partner program for businesses (such as PGE), that desire to affiliate with and support the region. Such business partners would have access to COG events and publications, but not fee-for-service services.

**Mid-Willamette Valley Council of Governments
FY 2020-21 Membership Dues**

July 2017 Population	July 2018 Population	Jurisdiction	FY 2019-20 COG Dues	<u>Option A</u>	<u>Option B</u>
				Proposed FY 2020-21 COG Dues	Revenue Target Methodology FY 2020-21
96,370	98,497	MARION COUNTY (less member cities)	\$ 33,623	\$ 34,363	37,234
137,225	138,825	City of Salem (Marion Co.)*	See Below	See Below	
3,970	3,975	City of Aumsville	1,894	1,936	2,098
980	985	City of Aurora	1,076	1,100	1,192
210	210	City of Detroit	1,076	1,100	1,192
985	985	City of Donald	1,076	1,100	1,192
442	440	City of Gates	1,076	1,100	1,192
2,570	2,585	City of Gervais	1,226	1,259	1,364
3,300	3,305	City of Hubbard	1,574	1,610	1,745
78	78	City of Idanha	1,076	1,100	1,192
3,235	3,245	City of Jefferson	1,543	1,580	1,712
38,345	38,505	City of Keizer	18,291	18,752	20,319
3,400	3,415	City of Mt. Angel	1,622	1,663	1,802
435	435	City of St. Paul	1,076	1,100	1,192
370	375	City of Scotts Mills	1,076	1,100	1,192
10,070	10,325	City of Silverton	4,803	5,028	5,448
7,770	7,810	City of Stayton	3,706	3,803	4,121
2,755	2,890	City of Sublimity	1,314	1,407	1,525
2,005	2,085	City of Turner	1,076	1,100	1,192
24,685	24,760	City of Woodburn	11,775	12,058	13,066
18,160	18,730	POLK COUNTY (less member cities)	6,922	7,268	7,875
26,225	26,440	City of Salem (Polk Co.)*	See Below	See Below	
15,570	15,830	City of Dallas	7,427	7,709	8,353
950	955	City of Falls City	1,076	1,100	1,192
9,340	9,370	City of Independence	4,455	4,563	4,944
9,855	9,890	City of Monmouth	4,701	4,816	5,219
870	885	City of Willamina (Polk Co.)**	See Below	See Below	
26,820	27,275	YAMHILL COUNTY (less member cities)	12,793	13,283	14,393
1,640	1,655	City of Amity	1,076	1,100	1,192
2,205	2,270	City of Carlton	1,076	1,105	1,197
2,670	2,720	City of Dayton	1,274	1,325	1,436
3,225	3,230	City of Dundee	1,538	1,573	1,704
4,095	4,105	City of Lafayette	1,953	1,999	2,166
33,665	33,810	City of McMinnville	16,058	16,465	17,841
23,480	23,795	City of Newberg	11,200	11,588	12,557
6,185	6,190	City of Sheridan	2,950	3,015	3,267
1,240	1,275	City of Willamina (Yamhill Co.)**	See Below	See Below	
1,075	1,090	City of Yamhill	1,076	1,100	1,192
		SPECIAL DISTRICTS			
5,359	5,693	Salem Area Transit District	2,556	2,772	3,004
10,507	9,818	Chemeketa Community College	5,012	4,781	5,181
40,999	41,177	Salem/Keizer School District	19,557	20,053	21,729
		Willamette ESD	1,076	1,100	1,192
		Chehalem Park & Recreation District	1,076	1,100	1,192
		Marian County SWCD	-	1,100	1,192
5,556	5,454	Confederated Tribes of the Grand Ronde Community of Oregon	2,650	2,656	2,878
163,450	165,265	*City of Salem Total Fee	33,623	34,363	37,235
2,110	2,160	**City of Willamina Total Fee	1,076	1,100	1,192
		TOTALS	\$ 232,180	\$ 239,293	\$ 259,293

**Mid-Willamette Valley Community Development Partnership Board
Economic Development District
FY 2020-21 Proposed Assessment**

<u>July 2017 Population</u>	<u>Percent of Pop.</u>	<u>July 2018 Population</u>	<u>Percent of Pop.</u>	<u>Jurisdiction</u>	<u>FY 2019-20 Assessment</u>	<u>Option A Current Methodology FY 2020-21 Assessment</u>	<u>Option B Adjusted Methodology FY 2020-21 Assessment</u>
339,200	36.99%	344,035	37.08%	Marion County	27,407	27,475	27,176
81,000	8.83%	82,100	8.85%	Polk County	6,543	6,557	6,486
106,300	11.59%	107,415	11.58%	Yamhill County	8,587	8,580	8,487
3,970	0.43%	3,975	0.43%	City of Aumsville	319	319	315
980	0.11%	985	0.11%	City of Aurora	150	150	153
210	0.02%	210	0.02%	City of Detroit	150	150	153
985	0.11%	985	0.11%	City of Donald	150	150	153
485	0.05%	485	0.05%	City of Gates	150	150	153
2,570	0.28%	2,585	0.28%	City of Gervais	207	207	205
3,300	0.36%	3,305	0.36%	City of Hubbard	267	267	264
140	0.02%	140	0.02%	City of Idanha	150	150	153
3,235	0.35%	3,245	0.35%	City of Jefferson	259	259	257
38,345	4.18%	38,505	4.15%	City of Keizer	3,097	3,075	3,042
3,400	0.37%	3,415	0.37%	City of Mt. Angel	274	274	271
435	0.05%	435	0.05%	City of St. Paul	150	150	153
163,480	17.83%	165,265	17.81%	City of Salem	13,211	13,196	13,053
370	0.04%	375	0.04%	City of Scotts Mills	150	150	153
10,070	1.10%	10,325	1.11%	City of Silverton	815	822	814
7,770	0.85%	7,810	0.84%	City of Stayton	630	622	616
2,755	0.30%	2,890	0.31%	City of Sublimity	222	230	227
2,005	0.22%	2,085	0.22%	City of Turner	163	163	161
24,685	2.69%	24,760	2.67%	City of Woodburn	1,993	1,978	1,957
15,570	1.70%	15,830	1.71%	City of Dallas	1,260	1,267	1,253
950	0.10%	955	0.10%	City of Falls City	150	150	153
9,340	1.02%	9,370	1.01%	City of Independence	756	748	740
9,855	1.07%	9,890	1.07%	City of Monmouth	793	793	784
1,640	0.18%	1,655	0.18%	City of Amity	150	150	153
2,205	0.24%	2,270	0.24%	City of Carlton	178	178	176
2,670	0.29%	2,720	0.29%	City of Dayton	215	215	213
3,225	0.35%	3,230	0.35%	City of Dundee	259	259	257
4,095	0.45%	4,105	0.44%	City of Lafayette	333	326	322
33,665	3.67%	33,810	3.64%	City of McMinnville	2,719	2,697	2,668
23,480	2.56%	23,795	2.56%	City of Newberg	1,897	1,897	1,876
6,185	0.67%	6,190	0.67%	City of Sheridan	496	496	491
2,110	0.23%	2,160	0.23%	City of Willamina	170	170	169
1,075	0.12%	1,090	0.12%	City of Yamhill	150	150	153
5,360	0.58%	5,454	0.58%	Confederated Tribes of the Grand Ronde Community of Oregon	430	430	425
				Marion County SWCD			153
				Chemeketa Community College			153
				Salem/Keizer School Dist			153
				Salem Area Transit District			153
				WESD			153
<u>917,115</u>	<u>100.00%</u>	<u>927,854</u>	<u>100.00%</u>	TOTALS	<u>\$ 75,000</u>	<u>75,000</u>	<u>75,000</u>



TO: **Executive Committee**
Mid-Willamette Valley Council of Governments

DATE: December 4, 2019

FROM: **Sean O'Day**
Executive Director

RE: Election of Officers for 2020

Action Requested

Approve the following CY 2020 MWVCOG slate of officers:

- Chair: Jackie Franke, Chemeketa Community College
- Vice Chair: Councilor Sal Peralta, City of McMinnville
- Immediate Past Chair: Mayor Cathy Clark, City of Keizer
- Lisa Leno, Confederated Tribes of Grand Ronde

Background

Under the Agreement creating the Council of Governments, the Executive Committee annually nominates a Chair and Vice Chair to the COG Board for the new calendar year. The Agreement provides that the Immediate Past Chair, Mayor Cathy Clark, Keizer will automatically serve on the Executive Committee for one year.

The Agreement creating the Council of Governments also provides for the appointment of a fourth member to the Executive Committee. The incoming Chair makes that nomination, which is subject to the approval by the Board of Directors. Ms. Franke is nominating Lisa Leno, from the Confederated Tribes of Grand Ronde, who has agreed to serve if elected.



MEMORANDUM

TO: Executive Committee
Mid-Willamette Valley Council of Governments

DATE: December 4, 2019

THRU: Sean O'Day
Executive Director

RE: Executive Compensation Follow Up

Background

Last year, at the Board's Direction, the COG undertook a compensation study of the management positions at the COG through a contract with the Local Government Personnel Institute. That study concluded that with respect to wages, the COG was within the market for all positions. However, with respect to total compensation, the COG trailed its competitors, primarily because of the differences in retirement and other benefits.

The Executive Committee met on July 25, 2019 with Jill Armstrong of LGPI who prepared the study. Following a lengthy discussion of the report, the Executive Committee requested staff bring back information on how the COG's retirement system compared with its competitors retirement system under the Public Employee Retirement System (PERS).

The Executive Committee reviewed that information on September 9, 2019 and requested staff bring back tables that would show the financial impact if the COG were to either pick-up a portion of the employee's retirement, add a portion to it. In addition the Executive Committee requested additional information on the financial impact if the COG were to create a deferred compensation benefit for the Executive Director and Department Directors.

Discussion

Retirement Comparison

As a frame of reference, the tables showing the differences in the COG's retirement program vs. PERS are attached.

Retirement Contribution

Below is a table showing the costs, by percentage, if the COG were to either pick up a portion of the Employee's contribution or added more to the COG contribution.

Analysis of Increasing Retirement Plan Contribution

	Payroll	Employee	COG	Total
Current Annualized Cost of Retirement Plan	1,545,739	92,744	135,252	227,996
COG picks up employee cost as follows:				
1% Pickup		(15,457)	15,457	
Cost of contributions		77,287	150,709	227,996
2% Pickup		(30,915)	30,915	
Cost of contributions		61,829	166,167	227,996
3% Pickup		(46,372)	46,372	
Cost of contributions		46,372	181,624	227,996
4% Pickup		(61,830)	61,830	
Cost of contributions		30,914	197,082	227,996
5% Pickup		(77,287)	77,287	
Cost of contributions		15,457	212,539	227,996
6% Pickup		(92,744)	92,744	
Cost of contributions		-	227,996	227,996

Deferred Compensation.

Below is a table showing the costs, if the COG were to establish a deferred compensation benefit for the Executive Director and Department Directors at varying percentages.

Analysis of Establishing Deferred Comp Plan for Executive Director and Department Directors

Aggregated Payroll		<u>568,108</u>
Deferred Comp at	1%	5,681
Deferred Comp at	2%	11,362
Deferred Comp at	3%	17,043
Deferred Comp at	4%	22,724
Deferred Comp at	5%	28,405
Deferred Comp at	6%	34,086
Deferred Comp at	7%	39,768
Deferred Comp at	8%	45,449

Next Steps

Recognizing that the staff has a conflict of interest in this matter, no recommendation is being made.

Comparison of COG Retirement Plan to PERS

	COG	PERS (Employees are IAP & Tier I, II, or OPSRP)			
	401(a) Plan	IAP	Tier I	Tier II	OPSRP
Benefit Type	Defined Contribution	Defined Contribution	Defined Benefit	Defined Benefit	Defined Benefit
Employee Contribution	6%	6%*	0*	0*	0
Employer Contribution	8.75%	0	Employer rate set by PERS (see attached)	Employer rate set by PERS (see attached)	Employer rate set by PERS (see attached)
Normal Retirement Age	55 (minimum)	Members retire from IAP when they retire from Tier One, Tier Two, or OPSRP	58 (or 30 Years of service) 55 Early Retirement at reduced benefit	60 (or 30 years of service) 55 Early Retirement at reduced benefit	65 (or 58 if 30 years of service) 55 Early Retirement at reduced benefit
Account Earnings	Market	Market	Guaranteed Assumed Rate (currently 7.5%)	N/A	N/A
Retirement Benefit	Account Pay-Out/Rollover	Account Pay-Out/Rollover	Money Match / Full Formula**	Money Match / Full Formula**	Formula**
Formula	N/A	N/A	Money Match: employer matches account balance by an equal amount. Full Formula: 1.67 percent x years of retirement credit x final average salary***	Money Match: employer matches account balance by an equal amount. Full Formula: 1.67 percent x years of retirement credit x final average salary***	1.5 percent x years of retirement credit x final average salary***
COLA	None	None	Up to 2% Annually	Up to 2% Annually	Up to 2% Annually

* Not all, but most employers pick up the employee 6%. Recent legislation will re-direct part of the 6% to the Pension side of PERS (Tier I, II, 2.5% and .75% for OPSERP) – Employees will be allowed to make voluntary contributions to bring the IAP contribution back to 6%..

**Prior to 2002, neither OPERP nor the IAP existed. All of an employee's contribution went to fund their pension. It's that amount of employee contribution that is used when determining the money match formula.

***FAS capped at \$196K

Hypothetical Example of How the Benefits Work

Assumes a 15 year employee with a final salary of \$95,000

PERS Pension Example (OPSRP) (taken from PERS Website)	COG Example (Using just the 8%)
<p>Final average salary: \$95,000 Retirement credit: 15 years as an OPSRP member 15 (years) x 1.5 percent = 22.5 percent</p> <p>22.5 percent x (final average monthly salary) = \$1,741</p> <p>20 Year Value: \$507,621 (2% COLA) 30 Year Value: \$847,548 (2% COLA)</p> <p>No market risk / benefit matches employee lifetime</p>	<p>Using data from the last 15 years, an employee at range 10, step 11 would have a final salary of 95,448 at retirement.</p> <p>The COG only contribution amounts to \$100,298 over the 15 year period.</p> <p>Assuming an 8% portfolio gain, the value of the portfolio at the end of 15 years would be \$182,595.</p> <p>If the employee invested in an annuity with an assumed 5% return and withdrew the same \$1,741 per month that the PERS employee receives, the portfolio value goes negative after year 11</p>

**BOARD OF DIRECTORS
MEETING SCHEDULE FOR CALENDAR YEAR 2020**

<u>Date</u>	<u>Location</u>
February 19 Annual Meeting 6:00 p.m.	Keizer Community Center 930 Chemawa Road NE Keizer, Oregon
March 4 Executive Committee	COG Offices 100 High Street SE, Suite 200 Salem, Oregon
March 17 Board of Directors	COG Offices
June 10 – 3 p.m. Budget Committee	COG Offices
June 10 – 4 p.m. Executive Committee	COG Offices
June 30 Board of Directors & Budget Hearing	COG Offices
September 9 Executive Committee	COG Offices
September 23 Board of Directors	COG Offices
December 2 Executive Committee	COG Offices
December 15 New Member Orientation and Board of Directors	COG Offices

- Board meetings are scheduled to begin at 3:30 p.m., except for the annual meeting, which is in the evening.
- Executive Committee meetings are scheduled to begin at 3:30 p.m., unless specifically noted
- The Budget Committee usually meets prior to the June COG Executive Committee meeting.
- The Budget Hearing will be part of the June COG Board Meeting.

AGENDA

Board of Directors
Mid-Willamette Valley Council of Governments
Tuesday, December 17, 2019
3:30 P.M. – 5:30 P.M.
COG Conference Room
100 High Street SE, Suite 200
Salem, Oregon

CONTACT: Sean O'Day, Executive Director; 503-540-1601
CHAIR: Cathy Clark, City of Keizer
VICE CHAIR: Jackie Franke, Chemeketa Community College

A. CALL TO ORDER – *Cathy Clark, Chair*

B. INTRODUCTIONS – *Cathy Clark, Chair*

C. PRESENTATION OF THE AUDIT – *Grove, Mueller & Swank* **pg. x-x**

D. CONSENT CALENDAR *(All items on the Consent Calendar will be approved by one vote unless an item is withdrawn for discussion at the request of a Board member. Members may have an item withdrawn by notifying the Chair at the meeting. The item will be removed by the Chair for discussion and a separate motion will be required to take action on the item in question.)*

1. Minutes of September 23, 2019 meeting of the Board of Directors **pg. x-x**
Requested Action: Approve minutes

2. Minutes of November 6, 2019 meeting of the Board of Directors **pg. x-x**
Requested Action: Approve minutes

2. Financial Report **pg. x-x**
Information only.

3. Department Activity Reports **pg. x-x**
Information only. Includes reports from the Community Development Department, Transportation Department, and Small Business Loan Program.

4. Resolution 2019-xx: Adopt Fee-for-Service Rates for FY 2020-21 **pg. x-x**
Requested Action: Motion to Adopt Fee-for-Service Rates for Fiscal Year 2020-2021.

5. Adopt 2020 Meeting Schedule **pg. x-x**
Requested Action: Motion to Adopt the meeting schedule for the 2020 calendar year.

6. Election of Officers for 2020 **pg. x-x**
Requested Action: Motion to Elect officers for the 2020 calendar year based upon the recommendations of the Executive Committee.

7. Approve Intergovernmental Agreement with Marion County for Contract Management of Engineering Firm on behalf of N. Santiam Joint Sewer Task Group (Phase II) **pg. x-x**

Requested Action: Motion to Authorize the Executive Director to sign an IGA with Marion County regarding contract management for the North Santiam Joint Sewer project.

8. MWVCOG contract with engineering firm selected for Completion of Master Plan Engineering and Design Project Management (on behalf of Marion County and North Santiam Joint Sewer Task Group) **pg. x-x**

Requested Action: Motion to Authorize the Executive Director to sign a contract with the engineering firm selected for completion of the North Santiam Joint Sewer Master Plan Engineering and Design project.

9. Approve Agreement with John Morgan for Goal Setting Services for Members **pg. x-x**

Requested Action: Motion to Authorize the Executive Director to sign a services agreement with John Morgan to provide Goal Setting services for MWVCOG members.

E. ACTION ITEMS

1. Resolution 2019-xx: Adopt Member Dues/EDD Assessment FY 2020-21 **pg. x-x**

Requested Action: Motion to Adopt Member Dues and EDD Assessment for FY 2020-21

2. Resolution 2019-xx: Establish a Fund Balance Target FY 2020-21 **pg. x-x**

Requested Action: Motion to Establish a Fund Balance Target for fiscal year 2020-21

3. Resolution 2019-xx: Adopting Change to the Personnel Manual **pg. x-x**

Requested Action: Motion to Adopt a change to the Personnel Manual

F. EXECUTIVE DIRECTOR'S REPORT

1. Annual Dinner Planning Update

G. BOARD DISCUSSION/ROUNDTABLE *(This is an opportunity for Board members to introduce subjects not on the agenda and report on happenings in their respective jurisdictions.)*

H. ADJOURNMENT

**NEXT MEETING: Annual Dinner
Wednesday, February 19, 2020
Keizer Community Center, 930 Chemawa Road, Keizer**

The Mid-Willamette Valley Council of Governments is pleased to comply with the Americans with Disabilities Act (ADA). If you need special accommodations to attend this meeting, please contact Denise VanDyke at (503) 588-6177 at least 48 hours prior to the meeting. Hearing impaired, please call Oregon Telecommunications Relay Service, 7-1-1. Thank you