**MINUTES OF JUNE 15, 2021**

**MID-WILLAMETTE VALLEY**

## COUNCIL OF GOVERNMENTS

**BOARD OF DIRECTORS**

**VIA Zoom**

# MEMBERS PRESENT

Jackie Franke, Member, Chemeketa Community College Board of Education

CHAIR: Councilor Sal Peralta, City of McMinnville

Commissioner Kevin Cameron for Commissioner Danielle Bethell, Marion County

Mayor Brian Dalton, City of Dallas

Mayor Cathy Clark, City of Keizer

Councilor Roxanne Beltz, City of Monmouth

Mayor John McArdle, Independence, representing Small Cities of Polk County

Ian Davidson, Salem-Keizer Transit District Board

Commissioner Casey Kulla, Yamhill County

Mayor Eric Swenson, City of Woodburn

vice chair: Lisa Leno, Tribal Council Member, Confederated Tribes of Grand Ronde

Mayor Linda Watkins, Carlton, representing Small Cities of Yamhill County

Mayor Jim Kingsbury, Sublimity, representing Small Cities of Marion County

Sheronne Blasi, Member, Salem-Keizer School District Board of Directors

**MEMBERS ABSENT**

Commissioner Mike Ainsworth, Polk County

Mayor Rick Rogers, City of Newberg

Mayor Chuck Bennett, City of Salem

Lisa Rogers, Board Member, Chehalem Park and Recreation District

Terry Hsu, Director, Marion Soil & Water Conservation District

Frank W. Pender, Jr., Board Member, Willamette Education Service District (WESD)

**OTHERS PRESENT**

Scott Dadson, Executive Director

Renata Wakeley, Community Development Director

Mike Jaffe, Transportation Director

Amber Mathiesen, Finance Director

Denise VanDyke, Admin. Specialist II

**CALL TO ORDER & INTRODUCTIONS**

Chair Peralta called the meeting to order at 3:33 p.m. The presence of a quorum was noted at 3:40 p.m.. Roll call was taken.

**EXECUTIVE DIRECTOR REPORT**

Mr. Dadson reported that he has extended the COVID emergency protocols until June 30. Managers are starting to discuss re-opening protocols. July 1 is the tentative re-opening date. A lot has been accomplished during COVID. We have always had some flexible scheduling, and this will continue. We will be upgrading the audio-visual equipment in the conference room to allow for interactive hybrid meetings, as this format will allow more people to attend.

**PUBLIC COMMENT**

None.

**CONSENT CALENDAR**

**MOTION:** By Mayor McArdle, **SECONDED** by Councilor Beltz, to **APPROVE THE CONSENT CALENDAR, AS PRESENTED.**

1. *MINUTES OF April 28, 2021, MEETING OF THE BOARD OF DIRECTORS*
2. *AUTHORIZATION TO RENEW INSURANCE POLICIES AND EXTENDING MWVCOG WORKER’S COMPENSATION COVERAGE TO VOLUNTEERS – RESOLUTION 2021-08*

**Discussion:** None. Motion carried.

**IN FAVOR:** Cameron, Franke, Peralta, Dalton, Clark, Beltz, McArdle, Davidson, Swenson, Watkins, Kingsbury, Blasi. **OPPOSED:** None. **ABSTAINED:** None.

**INFORMATIONAL ITEMS**

Mr. Dadson briefly reviewed the financial report. Generally we are doing well. Some programs’ reports show a lag in payments, which is normal.

Ms. Wakeley provided highlights of the Community Development department report. Staff were invited to apply for a RARE participant and have been approved. Interviews are scheduled for next week. The RARE Participant will be working on Canyon recovery and the position will be funded fully by Pacific Power to help develop a hazard recovery measures toolkit. It is hoped that the RARE Participant will start in September. Another program we have been invited to participate with is the Fellows Program through Portland State University. A Summer Fellow costs about $6,000, and it is hoped that we will be able to have someone through that program to help with Canyon recovery work, as well. The PSU population forecast is upcoming. Staff, especially Transportation/GIS staff are working with PSU on that. We have newly added Carlton to our list of cities for which we provide land use planning services, and we will be helping Newberg and Dundee with land use planning, as well.

Mayor Watkins thanked COG staff for Kiel Jenkins, the planner assigned to Carlton. He has been very helpful.

Commissioner Cameron added that a Marion County Americorp volunteer will be working on a Broadband project in the Canyon.

Mr. Dadson provided the report for the loan department, referring to the memo provided in the agenda packet.

Mr. Jaffe reported that MWACT met in May and June. Staff provided a crash data report in May. Crash rates are lower than in the mid-90s, but still an issue – especially alcohol related crashes. Three projects are proposed for OTC funding. ODOT is going forward with the Aurora/Donald interchange, but they are still seeking the final amount of funding. The Portland State University (PSU) Population Research Center (PRC) is mandated to do a population forecast every four years. The most recent forecast has significantly lower numbers than previous forecasts. Staff are in communication with the PRC regarding our concerns. The forecasts are being redone and should be using better data. That said, a drop in birth rates and in possible in-migration are holding overall growth down. Mr. Jaffe will send the population information and links to the PRC to those who request it. A discussion ensued regarding what information is taken into account by the PRC when generating forecasts.

**BUDGET HEARING**

Chair Peralta opened the public hearing at 4:03 p.m. He asked Mr. Dadson to present the budget message.

Mr. Dadson shared a PowerPoint to illustrate his presentation. This budget provides for the continuation of COG programs and activities and is our best estimate. This has been a different year, with COVID, the CARES Act, and the September Wildfires. There has been an approximate 11 percent increase in the budget related to the state and federal funds primarily related to the CARES Act and wildfire recovery funding. For the coming year, federal and state funding are expected to decrease overall due to retirement of CARES Act and other COVID related grants. However, Member Dues and Local Revenue are anticipated to increase due to a slight rise in the per capita rate for dues, population growth, and increases in service requests in multiple departments. Designated Reserves are projected to increase primarily due to loan payoffs, and the Undesignated Reserves will be more than twice the budgeted amount. A significant factor in that increase in reserves is revenue generated by the COVID Paycheck Protection program loan revenues.

Personal Services, which includes salary and benefits, reflects a decrease from the amount budgeted for FY 2020-21. Included in personal services are the following:

* A net increase of .47 FTE. This includes increases and decreases across the organization as a whole.
* A 1.8% cost-of-living adjustment (COLA) will be applied July 1, 2021. At the October 2018 Board meeting, the Board directed the COG to use the CPI-W for Seattle due to the elimination of the Portland index by the U.S. Bureau of Labor Statistics used historically. The 1.8% COLA is the annualized adjustment for the second half of 2020. This adjustment helps to COG to attract and retain highly competent staff.
* An overall increase in the amount budgeted for fringe benefits.

Among the changes that will be coming are a new financial software system that will be more efficient and up-to-date than the current system. It is hoped that this system will be on line around July 1st. Conversations to come include future plans for the loan department, how we can provide more services in Community Development, and concerns about inflation (goods and healthcare, especially).

Chair Peralta stated that the Budget Committee met and approved the budget with a recommendation to the Board that they adopt the budget as presented.

**Public Testimony -** None.

# Discussion – Rates are set by the Board at the December meeting, and increases are recommended using the CPI-Seattle and population adjustments. For the latest rates, this was a 1.8% baseline increase and PSU snapshot estimates were used as short term numbers. Wildfire affected cities were able to cover their 2020 dues, and we anticipate the same in 2021. Base dues are approximately $1300 for our smaller cities. Ms. Blasi asked that it be double checked that the fiscal year dates in the budget are accurate, as she believes there may be some typos. It was mentioned that we provide fiscal services for the Mid-Willamette Valley Homeless Alliance (MWVHA), however, this has a minimal affect on the COG Budget as much of the monies are pass through. Also, MWVHA will be transitioning out of the COG Budget on July 1. It was requested that the Board be kept up to date on MWVHA activity. Mayor Clark, MWVHA Chair, provided a quick update.

# Chair Peralta expressed his appreciation for the work done on this budget. Kudos to the staff.

# Amendments - None.

Chair Peralta closed the hearing at 4:27.

**MOTION** by Commissioner Cameron, **SECONDED** by Commissioner Kulla, to **approve Resolution 2020-11: proposed budget for fiscal year 2020-21, as presented.**

Motion carried**.**

**IN FAVOR:** Cameron, Kulla, Leno, Peralta, Dalton, Clark, Beltz, McArdle, Davidson, Swenson, Watkins, Kingsbury, Blasi. **OPPOSED:** None. **ABSTAINED:** None.

**APPROVING FINANCE SOFTWARE TRANSITION PROJECT**

Mr. Dadson stated that the Board previously established a procurement committee for this project. A Request for Information (RFI) was issued to solicit proposals. The old software functioned mainly because the former staff knew how to make it work. We need hardware and software updated to be sustainable and able to handle the transition of personnel. Four proposals were considered. The software selected has the lowest up front cost, but needs staff to transition the data. The software recommended by the Committee is QuickBooks. The transition cost is not to exceed $60,000, and is the cost of the needed personnel time. The transition date will be July 1 to begin the new fiscal year with the new system. Year end closing will be done in the old system for consistency.

Ms. Blasi asked for clarification on how it is anticipated that the new software will address the internal control weaknesses identified by the auditors. Mr. Dadson explained that the old system is not transitional. There were multiple sets of books that were not truly integrated. The new system will be fully integrated and will be following GFOA standards. We do fund accounting, receivables, and cash flow. This product is used by many of our members. We will be aligning our policies and procedures with best practices. Ms. Blasi asked to be kept updated on addressing of the findings and recommendations from the auditors. Ms. Mathiesen added that staff will also be documenting procedures with instructions for future staff transitions/additions.

**MOTION** by Mayor McArdle, **SECONDED** by Commissioner Kulla, to **DIRECT THE EXECUTIVE DIRECTOR TO PURCHASE AND IMPLEMENT QUICKBOOKS SOFTWARE CONSISTENT WITH THE FINANCE SOFTWARE REVIEW COMMITTEE’S RECOMMENDATION TO THE BOARD AND AUTHORIZE THE EXECUTIVE DIRECTOR TO MAKE THE NECESSARY EXPENDITURES RELATED TO THIS IMPLEMENTATION.**

Discussion: None.

Motion carried**.**

**IN FAVOR:** Cameron, Kulla, Leno, Peralta, Dalton, Clark, Beltz, McArdle, Davidson, Swenson, Watkins, Kingsbury, Blasi. **OPPOSED:** None. **ABSTAINED:** None.

**BOARD DISCUSSION ROUNDTABLE**

Mayor Dalton announced that he plans to host the September 1 Mayors Coalition in Dallas. He will be following up with his fellow mayors.

**ADJOURNMENT**

Hearing no further business, Chair Peralta adjourned the meeting at 4:43 p.m.

 Scott Dadson, Executive Director