

# *Rogue Valley Council of Governments Budget Committee Meeting*

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*April 24, 2019*

## **I. Call to Order**

The meeting was called to order on April 24<sup>th</sup>, 2019 at 1:30 P.M.

## **II. Attendance**

### ***Budget Committee Members - Board***

Roy Lindsay, City of Grants Pass - Budget Committee Chair  
Dick Gordon, City of Medford  
Chris Luz, City of Phoenix  
Carl Tappert, RVSS

### ***Budget Committee Members – Non-Board***

Brian Barr  
Sharon Johnson  
Sue Milar  
Mike Quilty

### ***RVCOG Staff Members***

Michael Cavallaro, Executive Director  
Ann Marie Alfrey, Internal Services Director  
Laura O’Byron, Senior and Disability Services Director  
Evelyn Kinsella, Nutrition Program Manager  
Karl Welzenbach, Planning Program Manager  
Greg Stabach, Natural Resources Program Manager  
Kellie Owens, Accounting

## **III. Appointing a Chair to the Budget Committee**

A nomination was made to have Roy Lindsay appointed to an additional year as the Chair for the Budget Committee. The nomination was seconded and approved with no opposition.

## **IV. Overview of the Budget**

Michael Cavallaro and Ann Marie Alfrey presented an overview of the budget.

RVCOG has been able to maintain indirect charges at 14%, a historical low, and has also maintained dues at their lowest levels ever.

The RVCOG employee base has been stable with a projected change of +1 employee for the upcoming budget year.

The overall budget amount for the upcoming fiscal year is virtually unchanged from FY18/19 (an increase of just over \$43,000 to \$8,776,453).

#### ***Q&A: Operating Contingency***

Question: Do we have a formula or goal that helps us calculate the operating contingency?

Answer: Our funding sources have restrictions on the use of the funds and we are not allowed to use indirect funds for contingency. Our contingency comes from the unspent dues charged to our member jurisdictions.

#### ***Q&A: Beginning Fund Balance vs. Operating Contingency***

Question: Please tell me the difference between the beginning fund balance and the operating contingency.

Answer: The beginning fund balance is usually a carryover from one year to another, typically from a multi-year project. It is different than most other governmental entities that have excess tax dollars that they use to operate until the November tax base arrives. Our General Fund operating contingency comes from unspent dues and is used to help cover the costs of pre-project planning.

#### ***Q&A: Retiree Tracking***

Question: Do we track projected employee retirement?

Answer: It is risky to track projected retirement as we do not want to cross a line and possibly violate laws regarding age discrimination. RVCOG employees have historically been proactive in notifying HR about upcoming retirement plans, allowing RVCOG the time to recruit, hire and train incoming personnel.

#### ***Q&A: Departmental Administration***

Question: Please explain the difference between internal services charges and departmental administration.

Answer: Internal services charges come from our internal departments that provide services to the other departments - HR, IT, and Accounting services as well as internal services for the copier, postage, legal fees, liability insurance, and building operations. Departmental Administration charges

are part of the Special Revenue Fund and are used to generate revenue to cover items like staff time for meetings and trainings that are not billable to a specific project or task.

## **V. Overview – Planning & Program Focus – Transportation Planning and Land Use Planning**

### **Transportation Planning**

Karl Welzenbach presented information on the Transportation Planning department budget. The 2019-2020 budget shows a dramatic increase and is due to the following:

- Federal funding is usually back-loaded. The first year of a 5 year plan receives normal funding but the remaining 4 years receive additional funding.
- \$85,000 in Oregon Department of Transportation carryover funds to be used for intelligent transportation system (a light control system to improve bus route times).
- \$15,000 in Grants Pass carryover funds to be used for a ridership survey.
- The budget reflects the filling of the open Assistant Planner position at the close of the current fiscal year.

### ***Q&A: RVTD Funding***

Question: Why do we give Rogue Valley Transportation District (RVTD) funds when they have a balanced budget?

Answer: The vast majority of the funds RVTD have are not allowed to be used for planning. They use their funding to cover the cost of obtaining and operating their buses. Since their fare box usually covers only 20% of the cost, they have to use their remaining funds to cover the remaining 80%. The Metropolitan Planning Organization receives FTA 5303 funds that the MPO utilizes for planning purposes. The RVMPO had a “carry-over balance” of these funds and RVTD requested the use of some so that they could undertake an implementation plan for a bus signal priority system. The RVMPO, by approving the upcoming UPWP, approved this allocation to RVTD.

### **Land Use Planning**

Karl Welzenbach presented information on the Land Use Planning department budget. He explained that the reason the budget for Land Use Planning has increased is because the Rogue River Transportation System Plan is closing so a significant amount of funding for the Principal Planner position will no longer be coming from the Transportation department budget.

## **VI. Overview – SDS and Program Focus – Community Living Programs**

Laura O'Bryon presented information on the SDS and Community Living Program budgets. RVCOG's Senior and Disability Services is the state designated regional Area Agency on Aging (AAA) and provide services to older persons and persons with disabilities. Services include Nutrition, Health Promotion Initiatives, Family Caregiver, Elder Rights and Legal Assistance, Services for Older Native Americans and Program Coordination and Development Services.

### **Statistics**

There are an estimated 28% (approximately 82,000 people), aged 60 years or over in our two counties. The state average is approximately 21%. The estimated number of adults with disabilities in our two counties is approximately 50,000 which equates to approximately 18%. The state of Oregon is approximately 13.5% overall.

### **Accomplishments**

SDS implemented the OpenBed Find Adult Foster Care website ([www.findadultfostercare.com](http://www.findadultfostercare.com)) – a successful initiative that is getting statewide recognition and interest in expansion in other regions across the state.

Working with SOU to develop curriculum for a Bachelor's Degree - and options for micro credential certification - to extend skills development and professional training for students interested in moving into social service careers.

National recognition of our Lifelong Housing Certification Standards to be utilized on the MLS listings services nationwide.

## **VII. Program Focus – Senior Meals Program (Food and Friends)**

Evelyn Kinsella presented information on the Senior Meals Program. Food & Friends is a nutrition program serving 17 communities throughout Jackson and Josephine Counties, and is a donation-based program rather than a means-tested one. The suggested donation is \$2.75; however, the actual average donation received is \$0.99, which has been dropping for a number of years as the demographics have changed.

Food & Friends is a volunteer-driven program. 650 volunteers last year donated approximately 65,000 hours of their time to the program to serve or deliver 237,000 meals. Mileage is paid to the volunteers if they request it, but the rate is a fraction of the federal mileage rate and only about half request the mileage reimbursement.

A unique aspect of the program is that while the volunteers deliver a hot lunch they are also conducting a brief safety check on the clients, which for the homebound seniors we serve is critical to their health and well being.

### **Program Successes**

To date, we haven't had to implement a waiting list as we have been able to keep up with the increased demand.

We fundraise in advance and have most of next year's goal secured. We have continued financial support for next year from several Jackson County jurisdictions and we are cautiously optimistic that Jackson County will continue with financial support.

### **Major changes**

We have seen an increase in meal count compared to last fiscal year. This year we have the highest number of clients on home delivery service to date. During March, 2019, we served 868 meals compared to 800 during March 2018, an 8.5% increase over the previous year.

We now have a contract with Allcare to provide funding to cover the costs of their clients' meals.

### **2019/2020 Budget Year Challenges**

- Capacity is a major challenge at this point. We are looking at methods to control the exploding demand for service in both counties as an increased number of clients mean more meals.
- Recruiting volunteers in certain areas can be challenging and it takes 3-4 months to process the criminal background check.
- We have seen a higher percentage of younger clients, clients with poor health, and low income seniors.
- More risk management issues means additional cost in staff time and resources.
- Program income continues to decline.

### ***Q&A: Healthy Meals***

Question: Have you made any attempt to look at healthy meals?

Answer: We are required to comply with the Federal Recommended Daily Allowance for seniors. Each meal provides 1/3 of the daily nutritional values as set forth by the federal government. We have done this while maintaining delicious meals that the clients are willing to eat.

## **VIII. Program Focus – Community Development**

Michael Cavallaro presented information on the Community Development department. The Community Development department provides expert grant management expertise to meet the needs of our participating jurisdictions. We assist with researching grant opportunities, applying for grants, preparing RFPs and RFQs, wage standards compliance, and direct grant management services. Grant management is a complex and difficult job, and requires a significant skill set. Most jurisdictions do not have a grant management specialist on staff.

## **IX. Program Focus – Natural Resources**

Greg Stabach presented information on the Natural Resources department. The Natural Resources department provides stream restoration services, education and community service, endangered species planning, water quality monitoring, creek clean-ups, and stream smart programs.

The department is always looking to diversify its services and look for projects such as our recent Brownsfield program, as well as various drinking water projects. RVCOG's new drone program is also based out of the Natural Resources department.

The department is always looking to leverage trends to remain relevant, such as the direction some major funders are taking to look for larger, more regional projects with group participation that will make a positive and more lasting impact on the environment, while distributing the costs to multiple agencies.

### **Changes**

We have a part time employee working 20 hours per week. Our current plan is to increase those hours to 28 with the intent to eventually make it a full time position.

Technology is changing and we now have the ability to use a drone to assist with monitoring projects, solar installation, fire watch, project documentation, and many other uses.

As new Phase 2 stormwater regulations are coming into play we are working on updating and changing our programs to meet those needs.

### ***Q&A: Wildfires***

Question: Since mitigating damage from wildfires is a major component, how do you account for that?

Answer: There is no practical way to project the amount of work or the cost of the work associated with wildfires. When we provide restoration services we take care to make sure we consider clean water, fire resistant species, holistic watershed management and public safety. Another consideration is the time it takes to completely mitigate an area as vegetation will take time to fully mature.

## **X. Administration and Internal Services**

Ann Marie Alfrey presented information on the Administration and Internal Services departments.

### **Jackson County Library District**

The Library District reduced its contract with RVCOG for administrative staff due to the hiring of their own first employee, a District Administrator. The proposed budget reflects this reduction in staffing.

## **Drone Program**

RVCOG purchased a large drone with expanded thermal imaging capability. This program will be run through the Administration department. Staff from Planning and Natural Resources will be charging a small portion of time to this program.

## **Support Services**

The Support Services department consists of Human Resources, Information Services, Finance and General Support (Postage, copy charges, general liability insurance, legal fees, etc.).

This department is partially funded by member jurisdictions for contracted services; e.g. computer support services.

The remaining funds are received through Interfund Revenues charged to the other departments. In the past, a few different methods were used to calculate the fees charged but none were truly efficient methods. It was determined that the best method for calculating the fees is to calculate the fee based on all productive hours worked by RVCOG personnel. Using this formula allows the funding to be fairly consistent, as long as the staffing remains consistent over a fiscal year.

## **Computer Replacement**

The Computer Replacement Fund is funded by direct charge to each department. Computers usually have a useful life of 3-4 years. When computers become outdated they are replaced with new units that are designed to meet the needs of the staff. Occasionally, the Information Services staff may find it cost effective to build a computer.

## **Building Operations and Maintenance**

The Building Operations and Maintenance Fund is funded by a direct charge to each department. The RVCOG building is paid in full, so the fund only covers supplies, utilities, cleaning, maintenance, and insurance.

The Josephine County Food & Friends Resource Center will be complete at the beginning of the 2019/2020 budget year and our best estimate of maintenance costs are included in the proposed budget.

## **Leave Liability**

The Leave Liability fund is where we account for the cost of earned paid time off – holiday, sick, and vacation leave. The accrual includes salaries earned on leave as well as payroll taxes and benefits.

## ***Q&A: Time-Off Accrual***

Question: How does RVCOG account for the cost of employee time off.

Answer: Full time RVCOG employees, are authorized to accrue up to the following limits for personal time off: Sick Time- 640 hour limit, with 8 hours accrued per month; Vacation Time - twice the annual accrual rate, starting at 8 hours per month, and increasing at the 2 year, 6 year and 10 year anniversaries. Part time workers (30+ hours per week) receive a prorated amount of accrued hours.

### **Vehicle Operation & Maintenance**

The Vehicle Operations and Maintenance Fund is funded by direct charge to each department. This is where we report the costs for fuel, maintenance, insurance, and depreciation of all RVCOG vehicles. Usage is charged to the departments based on mileage reported by each department.

### **Food & Friends Endowment Fund**

The Food & Friends department received a bequest and established the Endowment Fund in late 2016. The funds are being managed by an outside source and an annual review is conducted to ensure the funds are being invested in the best manner possible.

## **XI. Budget Committee discussion followed by the Budget Committee Recommendation(s).**

All attendees were asked to express any additional concerns or questions.

A member asked to see the balance sheet. The balance sheet is not a part of the budget document but may be obtained by reviewing the CAFR document or the most recent Board Packet.

No additional questions or concerns were expressed.

Chris Luz made a motion to approve the budget as presented. The nomination was seconded by Dick Gordon and approved with no opposition.

## **XII. Adjournment**

Roy Lindsay adjourned the meeting at 3:20 PM.

Minutes submitted by: Kellie Owens

Minutes approved by: Ann Marie Alfrey