

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

BUDGET COMMITTEE MEETING MINUTES

THURSDAY, MAY 12, 2016

12:00 NOON

MCEDD OFFICES
515 EAST SECOND STREET
THE DALLES, OREGON

ATTENDANCE

Committee Members: Marcus Denney, Dana Peck, Sam Bauer, Eric Proffitt and Nick Hogan

Staff: Amanda Hoey, Sherry Wickert, Sherry Bohn

CALL TO ORDER/INTRODUCTIONS:

Sam Bauer called the meeting to order at 12:02 p.m.

ELECTION OF COMMITTEE CHAIRMAN AND SECRETARY

Sam Bauer opened the floor to nominations for the position of Committee Chairman and Secretary. Nominations were made for Sam Bauer to hold the position of Committee Chairman, and Dana Peck volunteered to hold the position of Committee Secretary.

MOTION to elect Sam Bauer as Budget Committee Chairman made by Nick Hogan.
Seconded by Marcus Denney. Motion carried unanimously.

MOTION to elect Dana Peck as Budget Committee Secretary made by Eric Proffitt.
Seconded by Marcus Denney. Motion carried unanimously.

PRESENTATION OF FY 2017 (JULY 1, 2016-JUNE 30, 2017) BUDGET

Amanda Hoey and Sherry Wickert presented the FY 2017 MCEDD budget. The presented budget included the budget narrative, proposed appropriations by category, historical data, all funds budget, operational budget, local dues matrix, salary plan, and benefit plan. They reported that MCEDD's FY2017 budgets have been prepared through careful analysis of prior year's budgets, actual expenditures (prior year and current year), and forecasted revenues and expenditures for new projects.

Sherry Wickert highlighted the Projected Revenue reporting that the EDA Planning Grant is allocated on a cycle from April 1 through March 31 of each year noting that the budget includes the portion of the current EDA planning grant applicable to FY 17 and the portion of the funding anticipated for the next granting cycle. She noted that local dues and Fee-for Service will be utilized to the local match. She also reviewed grants, contract reimbursements, special project revenue, loan fund principal repayments and loan fund interest.

Nick Hogan asked how any large unanticipated new projects would be accounted for. Amanda stated that they would require a budget revision.

Amanda Hoey highlighted the Attainable Housing Revolving Loan Fund noting that it was seeded with \$2 million from the State of Oregon. She reported that it has a lower base interest rate, with projections based on 3.5% interest. Amanda reported that in order to provide the opportunity to revolve the fund this year, if sufficient loan applications are received, we have projected full utilization of the principal. She noted that this maximizes the ability to make loans, if appropriate, but revenue also then reflects higher in both interest and fees. To offset this higher revenue, which may not be realized in the fiscal year, staff has allocated only a portion of revenue to expenses. Amanda noted that the exception is with filing fees, which are fully allocated as they would be direct costs associated with any new loans. Amanda reported that staff is meeting with Regional Solution to discuss potential changes to fund in order to make it more marketable.

Sam Bauer asked if this fund was available for affordable housing projects. Amanda noted that it was designated for attainable housing projects and provided additional detail on the requirements.

Sherry Wickert reviewed projected expenses highlighting personnel expenses including 1.1% COLA increase for all staff members and the extension of a part-time project manager to a regular employee at part time FTE. She noted that this position was included in the prior budget as a “temporary project manager position” and that this change is the result of the staff required to fulfill the various grant administration projects that are currently underway and that are anticipated in FY17. She also reviewed travel authorizations, equipment and event services, legal service, contractual, building costs and distribution of expenses.

Amanda Hoey reported that for FY17 there is \$2,000 included as a general expense for marketing of the organization in supplies. She noted that this allocation would allow for some strategic investment in updates to MCEDD’s website or marketing collateral and is included for budget committee discussion. She also reported that a related amount was included in contractual.

Discussion: Dana Peck noted that updating the Goldendale Chamber’s website was the best investment they had made. Sam Bauer stated that this was something that needed to be done on a regular basis. Marcus Denney stated that he thought the amount should be larger. Sam Bauer suggested \$5,000. Dana Peck suggested \$7,500. The Committee consensus was to increase to \$7,500 in contractual and maintain \$2,000 in supplies.

Dana Peck stated that he thought the 1.1 percent COLA was too low and asked how it was developed. Amanda Hoey noted that it was based on the consumer price index. Sherry Wickert noted that the MCEDD board had recently reviewed and approved the revised salary scale. Marcus Denney noted last year’s committee recommendation to have staff research compensation for employees and asked if this request had been the impetus for the review. Amanda confirmed

that the committee's recommendation was the primary reason for board action. Nick Hogan and Dana Peck suggested recommending an annual review of salary and COLA in order to stay competitive in the market. Eric Proffitt noted the availability of merit based steps. Sam Bauer asked what the number of each staff was at the various steps. Amanda explained.

Marcus Denney asked if staff was comfortable with the amount allocated in legal based on the loans in litigation. Sam Bauer asked if MCEDD's loans were rated. Amanda stated that they were not. Marcus noted the differences in MCEDD's loan programs and the challenge with instituting a system given the role MCEDD serves. However, if initiated in the future an outside look would be beneficial rather than a staff review. Amanda discussed how MCEDD currently reviews loan status in relation to budget projections. Sam indicated that given MCEDD's portfolio size, it would likely make most sense to discuss a potential loan rating system if the program grows in size.

MOTION by Nick Hogan to approve the FY2017 budget as presented, with the revision to increase the amount in contractual as discussed, for recommendation to the full MCEDD Board to adopt the budget. Seconded by Marcus Denney. Motion carried unanimously.

ADJOURNMENT

The meeting adjourned at 12:55 p.m.