

Steering Committee Meeting
April 27, 2011
12:00 p.m. at GPCOG

In attendance: Gordy Billington, President, Standish; Cathy Breen, Falmouth; Pat Finnigan, Portland; Tony Plante, Windham; Mike Reynolds, Raymond; Matt Sturgis, Gray; Ed Suslovic, Portland; Dick Brobst, North Yarmouth; John Pressey, Gorham

Staff: Neal Allen, Maddy Adams, Eben Marsh, Ann Thompson

1. **Welcome.** Gordy opened the meeting at 12:02. Introductions were made around the table. All seven members of the Steering Committee were present as well as two Executive Committee members.
2. **Minutes of March 16, 2011 meeting.** *Mike made a motion to approve the March 16th minutes, seconded by Matt. Motion passed.*
3. **Review of FY 2012 Draft Budget.** Neal explained that this is a draft and is still a work in progress. The final will include charts and a transmittal letter. The budget reflects expenditures and offsetting revenues of \$3,115,295. While this represents an increase of \$436,957 (16.31%), the increase is due to projected revenue increases, primarily from the HUD grant. Direct program pass-through expenses are \$858,780. Adjustments in employee health care contributions, holidays and possible bid fee increases for non-member participation in our Cooperative Purchasing Program provide additional budget economies. The member dues rate is again recommended to remain the same for the 21st consecutive year, with \$143,400 of these dollars leveraging grant funds of \$1,196,000.

The Indirect Cost rate has been looked at more closely in light of its impact on the budget and programs. Ann explained that indirect cost plans are difficult to understand if you've never worked with them before but are essentially a cost allocation system required of state and federal funding. We use Grants Management System as our accounting software. There are seven regional entities in Maine that are using the same accounting software. It is fully audited every year and they look at the indirect cost plan with a fine-tooth comb.

The rate is determined through a calculation of three pools – leave plus billable salaries = total salaries. Fringe allocation includes all the fringe benefits. Everything else is lumped into indirect cost and that is how the rate is determined. This year we've brought the indirect cost rate down by reducing two (2) leave days and increasing the employee share of health insurance. Neal and Ann will be more billable in the upcoming year, in part due to the HUD grant.

Mike asked why the indirect cost plan needs to be changed. Ann responded that the lower the indirect rate, the lower the billable rate for the employee. It means we are more efficient in spending the grant dollars that are given to us. The change meant an additional \$60,000 to PACTS. The only staff that use indirect are Neal, Ann, Steph, and Support Staff.

Ed asked how COG's member dues compare to other COG's. Ann wasn't sure but said she would look into it. Ed asked if our member dues rate was higher, if that would also reduce the indirect rate. Neal explained that some dues rates are based on property assessment values from municipalities; ours is based on \$1/person per the most recent Census. John P. asked if this impacts just internal or external as well. Ann responded that it impacts all of our billing. It is a fair and equitable system.

Ann and Neal walked through the budget page by page. The increase in the total budget is primarily related to HUD and Brownfields funding. Our budget is driven by grant funding.

The DECD economic development support provided by Caroline Paras has been very successful; lots of interaction with businesses but funding is uncertain for the coming year. We just submitted an application to FAME for increased funds for the Revolving Loan Fund program. Because of Caroline's work with the businesses, we have been seeing more interest in the revolving loan funds. FAME reduced the requirements on smaller loans through the loan fund.

Cooperative Purchasing – we will be adjusting the bid fee for nonmembers. Three new bids have been added - idle reduction, biofuels and boiler maintenance. We looked into fireworks but no vendors responded.

Line 21 – Maine Clean Communities – the \$20,000 number may go up to \$50,000 – money from DOE. The feds want faster development of electric vehicles.

GoMaine funding was reduced 25% by MaineDOT which may mean the loss of a half-time person. As far as we know, support from the Maine Turnpike Authority will continue.

Ten thousand dollars in funding has been added to allow for grant research and development.

Salaries – we are proposing a 2% increase for COG staff (19 full time, 2 part-time, one proposed new full-time employee).

Fringe benefits - 15% increase in health insurance this year; 11% last year. It was asked if COG has looked elsewhere for insurance. Ann responded that she has looked at other MMA plans and found that other plans had higher co-pays. If we leave MMA again, we won't be able to go back because we've left it a few times before. MMA has been very attentive to our needs. The Town of Gray went to an outside program last year and this year the rate went up 25%; they started with a teaser rate. Cape Elizabeth got a 6.7% increase this year through MMA. Raymond does not belong to MMA and they gave their employees a management account to keep the price down but they have to follow through for themselves. They have to manage their own deductibles, etc.

We are reducing our off-site storage cost by half.

Office space – we need to notify our landlord by December of this year if we plan to continue our lease. We are doing due diligence by looking at other office space.

Routine travel went up because of the HUD grant.

Mileage rate – most towns use the IRS rate.

In the final budget, we may want to provide some explanation for some of the expenses – provide footnotes on page 5. We’re discussing going with the GSA per diem schedule for travel.

Tony moved to recommend the budget as presented to the Executive Committee. The motion was seconded by Mike. Motion passed.

Dues are based on \$1/person based on the last Census. Since the newest Census just came out, the idea would be to go with those new population numbers in the 2012-13 budget. It would amount to about a \$17,000 increase with the adjustments. The population for the following towns went up in the 2010 Census: Gorham, Scarborough, Windham, Portland, South Portland, Standish and Falmouth. The formula has worked well over the years and the current policy of the Executive Committee is to give notice of any increase a year in advance if possible. This will be discussed further at the May 11th Executive Committee meeting.

4. **Resource Conservation and Development District (RC&D)** – They are no longer getting federal funding support. Mark Hews is no longer assigned to the RC&D district here in Southern Maine. We’ve been meeting with the RC&D Council; they still have \$25,000. COG will provide a place for them to meet so that they can continue their work. We will provide some support services for them.

5. **Reports**

- Revised meeting schedule – the next meeting of the Executive Committee is scheduled for May 11th. The Steering Committee is scheduled to meet on May 25th as necessary.
- Annual Meeting – June 9th at USM Library with Peter Mills as the speaker.
- Sustainability Forum – June 3rd – we have received \$5,000 in discretionary funds from the Oak Foundation to assist with the Forum costs. Ori Brafman will be our featured speaker. He is the author of *The Starfish and the Spider*. He has done consulting work for the military. CH2M-Hill will also be participating at no fee. They will talk about best practices.
- County/GPCOG – After the fall election we will seek to schedule a meeting with the County Commissioners whose numbers will increase from 3 to 5.
- This is Cathy’s last Steering Committee meeting because she is termed out on the Falmouth Town Council.
- Lakes Region Planning Initiative – trying to get 2-3 reps from each town together for a workshop to be held at the Crooked River School in Casco next week.
- Mobilize Maine will be coming back to talk about this statewide economic development initiative.

6. **Nominating Committee** - Ed Suslovic and Mike Reynolds will serve on the Nominating Committee.

7. **Adjourn.** The meeting adjourned at 1:42.