

## **Budget, Audit & Tariff Committee Minutes**

Wednesday, September 25, 2024 at 1:00 p.m.

Voting Members: Alba Vogland, Nate Rivera, Andy Crocker, and Justin Roberts.

Non-Voting Members: Josh Thomas, and Kitty O'Keefe.

Guests: none

1. Announcements and Introductions
  - a. Alba called the meeting to order at 1:01 p.m. and introductions were made.
  - b. A motion was made by Nate to approve the minutes from Aug. 29, 2024, and 2<sup>nd</sup> by Justin. Kitty to post on website.
  - c. Alba thanked members for attending.
2. New Business
3. Old Business
  - a. Recap last meeting, updates – See Josh's full presentation attached
    - i. Josh presented 2025 [draft budget](#), with discussion about changes.
    - ii. Referred reserve policy to Governance Committee
    - iii. PTO accrual is to be included in reserves (otherwise unfunded liability)
    - iv. Consideration of reserves as safety net for catastrophic event – if we had to scramble on an unexpected transition to new notification center service provider.
    - v. 2025 Legislative considerations
      - o Self-certification of exemptions – new numbers from OCC we can use to track. Josh shared information that Frank Planton provided showing Oregon gross revenue in 2023 and 2024 YTD and members reviewed it. (See Attachment)
      - o Broadband budgetary impacts – supplemental funding, support from OBO, legislature?
  - b. Review, recommend 2025 Budget to Board for review and approval
    - i. Added \$15k to legislative and \$20k to financial review
    - ii. Reduced projected revenue and revised numbers based on 2024 actuals and projection calculator.
    - iii. Josh took members line by line through the 2025 proposed budget.
    - iv. Josh was asked to add a column that shows increase and or decrease %. This has been completed.
    - v. **Committee Action:** Motion by Nate to bring the 2025 proposed budget to the full board meeting on Oct. 17, 2024. Seconded by Justin. Motion passed.
  - c. Review, recommend Service Tariff rate adjustment for January 1, 2025
    - i. Josh shared OCC claims 3.3% for annual contract adjustment. Currently showing at 2.5%.
    - ii. Expenses exceed revenue, and Josh recommends proposing a 3.3% adjustment to the service tariff rate bringing to \$1.54.

- iii. Referral to Governance Committee to allow for larger increase? No motion was made. Nate asked Josh to look into this more before we go to the Governance committee. They will craft proposed language to address this.
- iv. Members asked more about OCC contract and is there a CPI cap? Josh pulled up the contract, explained it is 2.75% and discussion followed.
- v. **Committee Action:** Motion by Nate to bring to the full board asking for 3.3% CPI approval and seconded by Andy. Motion passed.

4. For the Good of the Order-

5. Next Meeting – tbd

*Meeting adjourned at 2:12p.m.*

*Minutes submitted by Kitty O'Keefe 9.26.24*



## 3.a. Quick Recap

- Presented draft 2025 budget, discussion about changes
- Referred reserve policy to Governance Committee, possible reduction
  - PTO accrual is to be included (otherwise unfunded liability)
  - Consideration of safety net for catastrophic event – if we had to scramble on an unexpected transition to new notification center service provider
- Legislative considerations
  - Self-certification of exemptions – new numbers from OCC we can use to track
  - Broadband budgetary impacts (supplemental funding, support from OBO, legislature?)

### 3.b. Revised 2025 Draft Budget



- Added \$15,000 legislative, \$20,000 financial review
- Revised numbers based on updates 2024 actuals
- Reduced projected revenue
  - Updated calculator/estimate from OCC
  - Adjusted for PGE doubled tickets
  - Broadband investment impacts to I/O ratio
  - YTD volumes incoming +1%, outbound +1.91% (3 year decline)
  - Assumed \$1.53/\$1.54 tariff adjustment on January 1
  - Per committee direction, propose using \$79,604 from reserves to balance budget, dependent upon EOY carryover/shortfall



### 3.c. Service Tariff Review

First annual review of service tariff rate for adjustment:

*Unless otherwise decided by the board, the Service Tariff base rate will be revised annually. Beginning each July, the Board will consider increasing the rate for the subsequent calendar year by the greater of two and a half percent (2.5%) or the actual percentage of increase in the consumer price index (CPI) up to five percent (5%). The CPI is found on the Bureau of Labor and Statistics website, listed under All Urban Consumers (CPI-U), and it is the same calculation used for the notification center contract.*



### 3.c. Service Tariff Review

- Tied to CPI-U – OCC claimed 3.3% for annual contract adjustment. Currently showing at 2.5%.
- From 2024 adopted budget to 2025 proposed, total revenue increases 3.14% and total expenses increase by 3.37%.
- Expenses exceed revenue by 3.07% in proposed 2025 budget.
- With verification of OCC's 3.3% CPI-U number, recommend proposing a 3.3% adjustment to the service tariff rate bringing it to \$1.54.
- Referral to Governance Committee to allow for larger increase?

Oregon gross revenue						
2023		AVE GROSS REV				
Month	Total Outbound	Total Billing/Del amount	PER OUTBOUND TICKET	tariff rate	Exemptions \$\$	
jan	142967	\$ 193,755.71	\$ 1.36	\$ 1.40	\$ 6,398.09	
feb	130380	\$ 176,726.73	\$ 1.36	\$ 1.40	\$ 5,805.27	
mar	172844	\$ 233,633.81	\$ 1.35	\$ 1.40	\$ 8,347.79	
apr	158007	\$ 211,787.45	\$ 1.34	\$ 1.40	\$ 9,422.35	
may	183400	\$ 242,134.21	\$ 1.32	\$ 1.40	\$ 14,625.79	
jun	169974	\$ 227,611.35	\$ 1.34	\$ 1.40	\$ 10,352.25	
Jul	160359	\$ 212,346.05	\$ 1.32	\$ 1.40	\$ 12,156.55	
aug	178504	\$ 236,734.68	\$ 1.33	\$ 1.40	\$ 13,170.92	
sep	157874	\$ 209,748.44	\$ 1.33	\$ 1.40	\$ 11,275.16	
oct	168362	\$ 223,166.63	\$ 1.33	\$ 1.40	\$ 12,540.17	
nov	134980	\$ 179,644.72	\$ 1.33	\$ 1.40	\$ 9,327.28	
dec	112274	\$ 148,882.61	\$ 1.33	\$ 1.40	\$ 8,300.99	
<b>YEAR END 2023</b>	<b>1869925</b>	<b>\$ 2,496,172.39</b>	<b>\$ 1.33</b>			<b>\$ 121,722.61</b>
2024						
Month	Total Outbound	Total Billing/Del amount			Exemptions \$\$	
jan	143773	\$ 197,316.01	\$ 1.37	\$ 1.40	\$ 3,966.19	
feb	171657	\$ 234,975.93	\$ 1.37	\$ 1.40	\$ 5,343.87	
mar	171657	\$ 234,975.93	\$ 1.37	\$ 1.40	\$ 5,343.87	
apr	190804	\$ 258,994.52	\$ 1.36	\$ 1.40	\$ 8,131.08	
may	177849	\$ 238,485.42	\$ 1.34	\$ 1.40	\$ 10,503.18	
jun	156293	\$ 208,365.26	\$ 1.33	\$ 1.40	\$ 10,444.94	
Jul	163814	\$ 231,074.49	\$ 1.41	\$ 1.49	\$ 13,008.37	
aug	160887	\$ 224,991.37	\$ 1.40	\$ 1.49	\$ 14,730.26	
<b>YTD 2024</b>	<b>1336734</b>	<b>\$ 1,829,178.93</b>	<b>\$ 1.37</b>			
<b>JAN-AUG 2023</b>	<b>1296435</b>	<b>\$ 1734729.99</b>	<b>\$ 1.34</b>			