

**MINUTES
BUDGET COMMITTEE
LANE COUNCIL OF GOVERNMENTS**

Thursday, May 18, 2006
Large 4th Floor Conference Room
Lane Council of Governments Office
99 East Broadway, Suite 400
Eugene, Oregon

Committee vice chair, John Sullivan, called the meeting of the LCOG Committee to order at 5:25 p.m. Committee members in attendance were: Gary Williams, Ron Murphy, Wayne Lottinville, and John Sullivan. Staff members present were Bob Swank, Byron Vanderpool, Jamon Kent, Kay Metzger, Ann Mortenson and George Kloeppe.

Approval of Minutes

The minutes of the April 20, 2006 meeting of the Budget Committee had been distributed with the meeting agenda. John Sullivan asked for any additions or corrections. Sullivan noted a typo in the minutes, it was moved, seconded (Williams/Murphy) and carried that the minutes of the previous month's meeting be approved as corrected.

Public Input

The Chair determined that there were no members of the public in attendance.

Proposed 2006-07 Budget

The proposed budget had been presented by staff at the April 20 meeting. George Kloeppe referred to the Executive Director's Budget Message on page 1. He summarized the Message with nine points:

- The proposal was a maintenance-of-effort plan
- It represented a 3.2 percent reduction from the Revised FY 05-06 Budget
- It had been developed in accord with the Board-adopted Budget Assumptions
- It reflected an anticipated work force reduction of 1.6 percent

- The modest increase for S&DS was because it was covering the second year of the biennium
- There most certainly were “unknowns” that would require modification of the budget during the year
- The proposal represented management’s best estimate of the resources and obligations for FY 2006-07
- The agency, under this proposal, would remain stable, healthy and quality-oriented

Bob Swank referred to three attachments that had been provided to the Committee in response to questions that had been asked at the April Budget Committee meeting. They addressed the LTD Bus Pass Program, the Business Loan Program, and the “actual” revenue and expenditure experience for FY 2004-05. Swank provided further explanation regarding the two programs. It was noted that, in response to the Committee’s request, summary personnel information had been included in the proposal on page 40.

Questions were asked and answered about the agency’s real estate holdings; and it was explained that the two LCOG-owned buildings had been acquired to provide appropriate accommodations for the staff, not as a real estate speculation. In response to a question, Swank explained why the undesignated reserve had decreased. John Sullivan asked about, and the Committee discussed, the differences between the sum of program-level budget amounts and division-level authorizations. Questions were raised and answered regarding the “tenant parking” expense and the likely resource requirements associated with the Region 2050 Program. Questions were asked and answered about the proposed (reduced) allocation for telephone operations—services by other organizations, and the proposed (increased) allocation for computer supplies (Administrative Services budget). Mayor Williams asked about the personnel budget and, specifically, if LCOG experienced “compression” with compensation for higher-level positions failing to keep pace with the market. Kloeppel responded that the overall compensation system is validated with salary comparisons every 24 months and that it had been his practice to apply the same adjustments to the unrepresented staff as had been agreed upon for the Employees Association-represented staff.

After some discussion, the proposal was generally considered appropriate for recommendation to the Board of Directors. It was moved by Wayne Lottinville, seconded by Ron Murphy, that the proposed FY 2006-07 budget be approved in the amount of \$27,277,462 and recommended to the Board of Directors for adoption. The motion carried unanimously.

Next Meeting of the Budget Committee

George Kloeppele noted that the agency typically adopts one revision to the annual budget—usually in April—to accommodate changes in revenue or requirements for expenditure that had come to light subsequent to the original adoption in June. He observed that the Committee’s assistance and counsel would be needed in the spring of 2007, and that he anticipated the next meeting of the Committee to be called for April 19, 2007.

Adjournment

John Sullivan thanked the Committee for its work. The business of the Committee being completed, the meeting was adjourned at 6:30 p.m.