

**MINUTES
BUDGET COMMITTEE
LANE COUNCIL OF GOVERNMENTS**

Thursday, May 10, 2007
Large 4th Floor Conference Room
Lane Council of Governments Office
99 East Broadway, Suite 400
Eugene, Oregon

In the absence of the Committee chair, Wayne Lottinville was asked to preside. Lottinville called the meeting of the LCOG Committee to order at 5:35 p.m. Staff and Committee members were asked to introduce themselves; in attendance were: Lottinville, Gary Williams, Don Hampton, Alan Laisure, and Judy Volta. 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 12, 2007 meeting of the Budget Committee had been distributed with the meeting agenda. Wayne Lottinville asked for any additions or corrections. It was moved, seconded (Hampton/Williams) and carried that the minutes of the previous month's meeting be approved.

Public Input

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

Proposed 2007-08 Budget

The proposed budget had been presented by staff to the Budget and Executive Committees at their April 12 meetings. Bob Swank distributed a new version reflecting one format change. He explained that the new version maintained all of the amounts from the previous month, but added a service area ("Enterprise Funds") to segregate the transactions associated with the business loan and property management activities of the agency. George Kloeppe referred to the Executive Director's Budget Message on page 1. He summarized that Message with 8 points:

- That, while the proposal reflected a significant (16 percent) decrease from the FY 2006-07 Revised Budget, it was a maintenance-of-effort plan, with a reduction of 3.5 percent from the original FY 2006-07 Budget that was adopted in June 2006. He explained that the Revised budget for the current year included a “spike” resulting from the refinance of the agency-owned Schaefers Building in Eugene.
- That it was a conservative estimate of the revenue and expense obligations for the coming year, and that it would likely be subject to amendment upward, as new information became available.
- That it had been developed in accord with the Board-adopted Budget Assumptions (listed on pages 46 and 47)
- That it reflected an anticipated work force reduction of 1.7 percent, 2.91 FTE positions.
- That the proposal called for a modest increase for S&DS and that the final amount that would be available for the first year of the new State biennium would only be known when the legislature completes its work.
- That costs increases for employee benefits—notably for retirement and health insurance—had been contained, thus allowing maintenance of staff.
- That the proposal represented management’s best estimate of the resources and obligations for FY 2007-08
- That the agency, under this proposal, would remain stable, healthy and quality-oriented

Questions were asked and answered about the agency’s staff; and it was explained that it was the agency’s policy to attract and retain the best professionals and that it was management’s responsibility to match work assignments with available revenue sources. Swank explained why the agency’s reserves had increased, noting that the maintenance of such reserves had been strongly recommended by auditors. Kloeppel added that the General Fund was occasionally used to meet unfunded expenses of contract projects, but stressed that it was not LCOG practice to “eat” the reserves for operations.

After some discussion, the proposal was generally considered appropriate for recommendation to the Board of Directors. It was moved by Gary Williams, seconded by Don Hampton, that the proposed FY 2007-08 budget be approved in the amount of \$26,291,267 and recommended to the Board of Directors for adoption. The motion carried unanimously.

Next Meeting of the Budget Committee

George Kloeppe 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 would be asked to meet again in the spring of 2008.

Adjournment

Wayne Lottinville thanked the Committee for its work. The business of the Committee being completed, it was moved by Gary Williams, seconded by Judy Volta, that the meeting be adjourned at 6:15 p.m.