

**MINUTES
BUDGET COMMITTEE
LANE COUNCIL OF GOVERNMENTS**

Thursday, April 12, 2007
Small 4th Floor Conference Room
Lane Council of Governments Office
99 East Broadway, Suite 400
Eugene, Oregon

In the absence of John Sullivan, Budget Committee Chair in 2006, LCOG Board Vice Chair, Greg James, called the meeting of the LCOG Committee to order at 5:35 p.m. Committee members in attendance were: Wayne Lottinville, Ric Ingham, Phil Brubaker, Susie Johnston, and Greg James. Staff members present were Bob Swank, Kay Metzger, Byron Vanderpool, Jamon Kent, Ann Mortenson and George Kloeppe.

Committee members and staff introduced themselves.

Approval of Minutes

The minutes of the May 18, 2006 meeting of the Budget Committee had been distributed with the meeting agenda. Greg James asked for any additions or corrections. There being none, Wayne Lottinville moved, seconded by Phil Brubaker, that the previous year's meeting minutes be approved as prepared. The motion passed unanimously.

Election of Officers

Nominations were sought for the office of Budget Committee Chairperson. Greg James was nominated. There being no further nominations, it was moved and seconded (Ingham and Brubaker) that Greg James be elected Chairperson. Motion carried. Nominations for the position of Secretary were opened and Phil Brubaker was nominated. There being no further nominations for the office of Secretary, it was moved and seconded (Ingham and James) that Mayor Brubaker be elected Secretary. Motion carried.

Budget Background and Trends

Associate Director Bob Swank outlined the budget process, approved by the LCOG Board of Directors in December. He noted that there were expected to be two meetings of the Committee. This first meeting, he said, would include a consideration of the proposed *Revised Budget* for fiscal year 2006-07, and a presentation of the proposed budget for fiscal year 2007-08. Swank called the attention of the Committee to four graphs depicting the agency's financial circumstance over time. Included were graphic representations of revenue by source, expense by year, staffing (FTEs) since 1990, and budget size by division since 1993.

The Committee asked questions about the underlying fiscal structure of LCOG. It was noted that most of the activities in the work program are supported by very specific grants and service contracts. Swank contrasted temporary significant swings in the graphs with the long-term patterns. He noted that events such as the refinance of the Schaefers Building in 2007, the "Bus Pass" program in 2006 and 2007, or the receipt of a large grant to capitalize the Business Loan program tended to confuse the message of the graphs; but he encouraged Committee members to focus upon the long-term trends for the best indication of the status and financial health of the agency. Questions were asked and answered about the trend lines in the graphs.

Recommended 2006-07 Revised Budget

The recommendation for a current year budget revision had been provided to members of the Committee in the advance mailing. George Kloepfel noted that his observations about the patterns of change that necessitated a budget revision before the end of the fiscal year were included in his two and a half page "Comment and Recommendation" narrative. He stressed that the change that was recommended, while an increase from the annual budget that was adopted by the Committee and the Board of Directors ten months previous, was primarily attributable to the recently completed refinance of the agency-owned Schaefers Building, which did not impact agency operations or staff size, but provided a much needed undesignated reserve to the budget. Kloepfel noted that the proposed revision would increase the agency's budgetary authorization for the current fiscal year by \$4,102,848, to a new total of \$31,380,310. He called the attention of the Committee to the Budget Summary on page 7 of the proposal and noted that resources from the federal government were now expected to be somewhat higher, and that "local revenue," primarily from the refinance, would be significantly higher. On the expense side, Kloepfel noted that the Revised Budget proposes a decrease in "materials and services" and in "services by other organizations, and substantial increases in reserves and "debt service" expense. He noted that all of

the operating divisions of the agency would see an increase in their 2006-07 budgets under the proposal, and that the substantial increase in the “Board and Executive Management” service area was a reflection of the refinance and a grant award in the Business Loan program. Questions were asked and answered regarding the increased reserves.

After some discussion, it was moved by Phil Brubaker, seconded by Susie Johnston, that the proposed *Revised Budget* for fiscal year 2006-07 in the amount of \$31,380,310 be recommended for adoption by the LCOG Board of Directors. The motion carried unanimously.

Proposed Fiscal Year 2007-08 Budget

Bob Swank referred to the proposed budget for the year which would begin July 1. He noted that no decision was requested of the Committee at that point, but that the Committee would be asked to approve the proposed budget at its May 10 meeting. The approved budget would then go to the Board of Directors for public hearing and action in June. The format of the document was described. Kloeppe indicated that the work program narrative for each service area was published adjacent to the service area budgets. Swank drew the Committee’s attention to the Budget Assumptions, approved by the Board of Directors and found beginning on page 44. Greg James thanked the staff for the inclusion of additional information in the Appendices, as had been suggested by the Committee. Committee members discussed and asked questions about the proposal.

Public Input

No members of the public were present.

Adjournment

It was noted that the next (and final) meeting of the Committee was scheduled for May 10 at 5:30. The business of the Committee being completed, the meeting was adjourned at 6:35 p.m.