

**MINUTES
BUDGET COMMITTEE
LANE COUNCIL OF GOVERNMENTS**

Thursday, April 9, 2009
Buford Conference Room
Lane Council of Governments Office
859 Willamette Street, Suite 500
Eugene, Oregon

Mayor Gary Williams called the meeting of the LCOG Committee to order at 5:05 p.m. Committee members in attendance were: Sherry Duerst-Higgins, Phil Brubaker, Gary Williams, and Dennis Shine (arrived at 5:15). Also present was LCOG Board Chair, 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 8, 2008 meeting of the Budget Committee had been distributed with the meeting agenda. Gary Williams asked for any additions or corrections. There being none, Phil Brubaker moved, seconded by Sherry Duerst-Higgins, 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. Gary Williams was nominated. There being no further nominations, Mayor Williams was elected Chair. Nominations for the position of Secretary were opened and Phil Brubaker was nominated. There being no further nominations for the office of Secretary, Mayor Brubaker was elected.

Budget Background and Trends

At the request of the Chair, Associate Director Bob Swank 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 2008-09, and a presentation of the proposed budget for fiscal year 2009-10. Swank called

the attention of the Committee to three graphs depicting the agency's financial circumstance over time. Included were graphic representations of expense by year, staffing (FTEs) since 1991, and budget size by division since 2001.

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 purchase of the Park Place Building in 2008, 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 2008-09 Revised Budget

The recommendation for a current year budget revision had been provided to members of the Committee in the advance mailing. George Kloepfel called the Committee's attention to his two and a half page "Comment and Recommendation" narrative. He stressed that the change that was recommended, while an increase of approximately 8 percent from the annual budget that was adopted by the Committee and the Board of Directors in June 2008, the increase was primarily attributable to the renovation work in the Park Place Building in Eugene. Kloepfel noted that the proposed revision would increase the agency's budgetary authorization for the current fiscal year by \$2,410,411, to a new total of \$31,836,093. He called the attention of the Committee to the Budget Summary on page 7 of the proposal and noted that the significant change in anticipated revenue from federal to state was the result of a "re-classification" that was driven by the State Department of Human Services. After some discussion, it was moved by Phil Brubaker, seconded by Sherry Duerst-Higgins, that the proposed Revised Budget for fiscal year 2008-09 in the amount of \$31,836,093 be recommended for adoption by the LCOG Board of Directors. The motion carried unanimously.

Proposed Fiscal Year 2009-10 Budget

Copies of the proposed budget for the year which would begin July 1 were distributed. Kloepfel called the Committee's attention to his "Comment and Recommendation" beginning on page 1. Bob Swank 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 14 meeting. The Committee-approved budget would then go to the Board of Directors for public hearing and action in

June. Kloepfel pointed out that the contraction (13.5 percent) from the current year's Revised Budget was primarily the reverse outcome from the borrowing and renovation expenditures that spiked the Revised 2008-09 Budget. For comparison, he noted that the proposed 2009-10 Budget was approximately less than 5 percent above the agency's Revised Budget for FY 2002-03—seven years previous.

Swank drew the Committee's attention to the Budget Assumptions, approved by the Board of Directors and found beginning on page 44. Pursuant to those Assumptions, he noted that a one percent cost-of-living adjustment had been applied to personal services in the proposal. Committee members discussed and asked questions about the proposal. Kloepfel stressed that, particularly in the present economic environment, reliable data regarding the revenues that will be available to the agency will not be available until after the fiscal year begins.

Committee members asked about that agency's expectations for salary adjustments. It was noted that a reduction in LCOG's required contribution to PERS and an increase of approximately ten percent in health care premium costs had allowed the proposed personal services authorization to be held to one percent. However, negotiations were underway with one bargaining unit and the other, with an existing 2.75 COLA agreement, was revisiting the salary issue within its membership. Kloepfel stated that LCOG management was well aware of the fiscal circumstances being imposed on some member jurisdictions and the related need for cost reductions. Swank suggested that more would likely be known by the time the Committee meets in May.

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 14 at 5:30. The business of the Committee being completed, the meeting was adjourned at 5:55 p.m.