

MINUTES
LANE COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS
Park Place Building – 5th Floor Conference Room
859 Willamette Street, Suite 500, Eugene

December 11, 2008 - 7:00 P.M.

VOTING MEMBERS

Present

Director Greg James (Willamalane), Chair	Director Sherry Duerst-Higgins (Lane ESD)
Mayor Judy Volta (Coburg)	Director Tony McCown (LCC)
Mayor Gary Williams (Cottage Grove)	Director Jim Torrey (School District 4J)
Mayor Bob Hooker (Creswell)	Director Alan Laisure (School District 52)
Councilor Chris Pryor (Eugene), Vice-Chair	Director Al King (School District 19)
Mayor Don Hampton (Oakridge)	Director Steve Recca (Fern Ridge Library District)
Commissioner Penny Jordan (EPUD)	Director William McCoy (Lane Library District)
Commissioner Mel Menegat (EWEB)	
Commissioner Faye Stewart (Lane County)	

Absent

City of Dunes City Representative	Western Lane Ambulance District Representative
City of Florence Representative	School District 68 (McKenzie) Representative
City of Junction City Representative	Siuslaw Fire District Representative
City of Lowell Representative	Port of Siuslaw Representative
City of Springfield Representative	
City of Veneta Representative	
City of Westfir Representative	

NON-VOTING MEMBER

Mike Dubick (Lane Transit District)

GUESTS

Forrest Arnold (Jones & Roth, P.C.), Tom Schwetz (LTD)

LCOG STAFF

George Kloeppe, Bob Swank, Byron Vanderpool, Jamon Kent, Steve Dignam, Andrea Riner, Kay Metzger, Ann Mortenson

1. CALL TO ORDER – ROLL CALL

Chairperson Greg James called the meeting of the Lane Council of Governments (LCOG) Board of Directors to order at 7:00 PM.

Board Secretary Ann Mortenson called the roll of members. Chairperson James stated that a quorum was present.

Chairperson James welcomed everyone to the first Board of Directors meeting at LCOG's new offices.

2. REQUESTS FOR ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

3. COMMENTS FROM THE PUBLIC

None

COMMITTEE REPORTS

4. REPORTS FROM THE CHAIR AND EXECUTIVE COMMITTEE

Chairperson James referred to agenda support material entitled "Report of the Executive Committee". No comments were offered.

5. ADVISORY COUNCIL REPORTS

Chairperson James referred to agenda support material entitled "Advisory Council Reports". No comments were offered.

6. REPORT FROM THE EXECUTIVE DIRECTOR

Mr. Kloeppe referred to agenda support material entitled "Comments from the Executive Director". He pointed out the Board meeting schedule for 2009 and mentioned that the location of the next Board meeting on February 26 has not yet been determined. Mr. Kloeppe said the move to the new facility went smoothly and he thanked the design and construction firms, the movers, and the staff who organized the process. In particular, he thanked Bob Swank, Colleen Doll, and Ann Mortenson. Mr. Kloeppe mentioned the recent deaths of Ronnell Paddock, who was a former member and chairperson of the LCOG Board, and Dan Arkin, who had served on the Disabled Services Advisory Council. He said that Mayor Sid Leiken would present the MPO report at the Board's February 26 meeting. Mr.

Kloeppe described a recent preparedness drill at the Central Lane Call Center (CLCC) and mentioned the contributions of LCOG's Dan Mulholland and Byron Vanderpool to this project. He also highlighted an upcoming series of programs on Metro Television, an LCOG service managed by Robert Lewis, about the services provided to residents by Lane County government. Mr. Kloeppe also reminded Board members that LCOG's annual Appreciation Dinner would be held at Lane Community College on January 22, 2009.

7. REPORT OF LANE COUNTY FINANCES

Commissioner Faye Stewart noted that Congress passed legislation six weeks ago continuing timber payments to counties for another four years, but with reduced amounts each year leading to an eventual end of these payments. He said the County's Budget Committee was in the process of gathering public input on how to best use these additional funds in the current fiscal year.

Commissioner Stewart also reported that the State of Oregon is expecting to cut its funding to Lane County in the next biennium by about 4.9% overall, but that some individual programs may lose as much as 15-20%, which will require layoffs. He reminded everyone, as well, that the ongoing problems in the housing industry and the economy, in general, will mean reduced revenues for the county. This means that any decisions about a supplemental budget to allocate the federal timber money will not occur until January, at the earliest, and that commissioners may want to hold onto this year's money and not allocate it, in anticipation of difficult times ahead.

Commissioner Stewart also reported that the county's Land Management Division, which is fee-driven and has seen its revenue decline significantly during the current recession, gave layoff notices to 23 of its 44 employees today effective in mid-January. This is particularly disheartening, because the division has made great strides recently in reducing customer complaints.

Several Board members asked if the county had seen a reduction in property tax revenue. Commissioner Stewart said this revenue stream was at normal levels, that the value of the Hynix property had not been reassessed yet, and that many people continue to pay their property taxes through their mortgage payments.

BUSINESS ITEMS

8. CONSENT AGENDA

The Consent Agenda includes acceptance of a) the minutes of the September 25 meeting of the Board, b) the FY2009-2010 LCOG dues rates, and c) the FY2009-2010 Budget Assumptions and Process document.

Vice-Chair Chris Pryor moved, seconded by Director Tony McCown, to remove Item b and adopt the remainder of the Consent Agenda. The motion was adopted unanimously, 16:0.

9. ITEMS REMOVED FROM CONSENT AGENDA

Item b: FY2009-2010 LCOG Dues Rates. Added as Item 12c on the meeting agenda.

10. GOVERNMENT SERVICES

No report.

11. SENIOR AND DISABLED SERVICES

No report.

12. EXECUTIVE MANAGEMENT AND ADMINISTRATION

A. FY 2007-2008 Financial Statements and Audit Report

Mr. Kloeppe introduced Forrest Arnold from Jones & Roth, P.C. who reviewed the “Annual Financial Report” for the year ended June 30, 2008, that was produced by LCOG staff, audited by Jones & Roth, and discussed with the LCOG Audit Committee. Mr. Arnold described the review and audit process followed by Jones & Roth and the statements they issued describing their conclusions. There were no “findings”, no “questioned costs”, and the statements were found to fairly represent the operations of the agency last fiscal year. Mr. Arnold complimented Marlene Siavitz and Bob Swank from LCOG for the excellent job they did in producing the “Annual Financial Report”. Additional compliments were offered by Vice-Chairperson Pryor and Mr. Kloeppe.

Vice-Chair Pryor moved, seconded by Director Steve Recca, to accept the financial statement and authorize submission to the State of Oregon. The motion was adopted unanimously, 16:0.

B. Appointments (4) and Elections (2) to the 2009 Executive Committee

Chairperson James recommended that Faye Stewart, Phil Brubaker, Don Hampton, and Judy Volta be re-appointed to the 2009 Executive Committee.

Director Sherry Duerst-Higgins moved, seconded by Director Alan Laisure, to accept the Chairperson’s recommendations and re-appoint Faye Stewart, Phil Brubaker, Don Hampton, and Judy Volta to the 2009 Executive Committee. The motion was adopted unanimously, 16:0.

Chairperson James said there are also two At-Large positions on the Executive Committee that need to be filled by election. These are positions currently held by Sherry Duerst-Higgins and Al King, who were elected last year. Chairperson James recommended they be elected to serve in 2009.

Director McCown moved, seconded by Director Jim Torrey, to nominate Al King as an At-Large member of the 2009 Executive Committee. There were no other nominations. Al King was elected unanimously, 16:0.

Commissioner Stewart moved, seconded by Director Laisure, to nominate Sherry Duerst-Higgins as an At-Large member of the 2009 Executive Committee. There were no other nominations. Sherry Duerst-Higgins was elected unanimously, 16:0.

C. FY2009-2010 Dues Rates

Vice-Chair Pryor said he asked to have this issue voted on separately, at the request of the Executive Committee, so it could be fully discussed. He said he completely supports the proposed dues rates, which are the current rates with a 3 percent increase, because the increase is sensitive to the current economic difficulties and because of the tremendous value local jurisdictions receive from LCOG. Vice-Chair Pryor referred to agenda support material entitled "Lane Council of Governments FY08-09 Member Dues Schedule". Mr. Kloepfel clarified that this document doesn't reflect the actual dues amounts that members would pay, but it does provide a good sense of the order of magnitude of the amounts that would be charged.

Mayor Gary Williams moved, seconded by Director Tony McCown, to adopt the proposed FY2009-2010 dues rates. The motion was adopted unanimously, 16:0.

Mr. Kloepfel said a letter will go out to each jurisdiction as soon as the necessary population numbers have been reported.

MEMBER AGENCY CHECK-IN

13. Member Agency Check-In

Mayor Gary Williams reported there will be a meeting in Eugene tomorrow of a legislative task force doing a comprehensive revenue review. Mr. Williams will be making a presentation on behalf of the League of Oregon Cities and he urged other local governments to provide their input. The message cities want the Legislature to hear is that they should take no actions that will harm cities' revenue sources

Director Tony McCown reported that Lane Community College has seen a 14 percent enrollment increase this fall. He also thanked those who helped LCC pass a bond measure in November that will assist with deferred maintenance and other infrastructure projects. Unfortunately, the governor's proposed budget recommends cutbacks in state spending for community colleges at a time when demand for their services is increasing, while at the same time recommending budget increases for the other education sectors. Since LCC needs a state match on some of the bond funds that were just authorized, this may limit the school's ability to redevelop its downtown location.

INFORMATION ITEMS

14. INFORMATION ITEMS

A. First Quarter Financial Report

Mr. Kloeppele referred to agenda support material entitled "First Quarter Financial Report". He stated that revenues exceeded expenditures by about \$4.7 million, which is where LCOG expected to be; and that expenditures are right on track.

B. Summary of S&DS Highlights FY2007-08

Senior and Disabled Services Director Kay Metzger referred to agenda support material entitled "Senior & Disabled Services Highlights for 2007-08", which describes the numbers of people served and the kinds of services they received. This year, she has added vignettes, in order to put a human face on their clients. She welcomes questions and feedback. Mr. Kloeppele added that it is always impressive to see how many people in Lane County are touched by these services.

C. 2008 Appreciation Dinner

Mr. Kloeppele reported that invitations will be going out soon for the dinner, which will be held on January 22 at LCC. Ann Mortenson is coordinating this project. Kloeppele noted that it is a great event, a chance for the LCOG community to get together, and a wonderful way to recognize people who have provided outstanding service to their communities. The Screening Committee met December 10th and made its selection of honorees.

D. Planning Session in February

Mr. Kloeppele reported that, in response to an Executive Committee request, part of the Board's February meeting will be devoted to identifying key, hotspot issues members want LCOG to work on in the coming months. Staff is determining how to structure this discussion.

E. Governor's Budget

Ms. Metzger reported that Governor Kulongoski is recommending a 15 percent overall budget cut for the Department of Human Services, but that Senior and Disabled Services is actually facing about a 25 percent reduction, which will be devastating for these services. She highlighted two key problem areas. The proposed elimination of services to Medicaid patients who receive less than 80 hours per month of in-home care will penalize clients whose family and friends provide care for them and reward those who move into group homes where care is much more expensive. The other proposed change would eliminate Medicaid eligibility for anyone receiving retirement income greater than 150 percent of the federal poverty level or about \$1300 per month, even after that person has spent all their life savings.

Ms. Metzger also spoke about a 40% reduction in Oregon Project Independence (OPI) funding. This is solely state money that comes from the Senior Tax Deferral Trust Fund and it is used to try to keep people off Medicaid. Because of the mortgage crisis, Oregonians aren't paying off their deferred taxes, so the fund is not growing.

Ms. Metzger reviewed a handout describing the impact of these and other funding reductions. She offered to provide data for Board member to help them inform members of the Legislature on these issues. Mr. King suggested the state look at the funding source for OPI and work to level out fluctuations in revenue. Ms. Metzger explained that this trust fund is a brand new funding source for OPI this biennium.

Mr. Kloeppel reminded Board members that the proposed S&DS reductions, like those for community colleges, are ones that will affect all member jurisdictions, not just the entities directly involved. He encouraged everyone to be thoughtful about each others' needs when they lobby the Legislature to improve funding for their own organization.

F. River Road Park and Recreation District Membership

Mr. Kloeppel mentioned that River Road Park and Recreation District is considering re-applying for LCOG membership. He stated that they wish to participate more with the regional entities that interact with their organization.

G. Status of IRP Loan Program

Steve Dignam reported on the loan portfolio LCOG manages for small businesses, in particular the Intermediary Relending Program (IRP). Since 1997, LCOG has borrowed \$4.9 million from USDA Rural Business Services at 1% interest and then loaned it to local small businesses at 6-7 percent. This program does not compete with private sector lenders; it supplements what they are able to do by providing the borrower with gap financing beyond what the banks are offering. There are currently \$2.7 million in outstanding loans and nearly all are in great shape, even with the present economic stresses. Mr. Dignam provided a handout describing other loan programs available through LCOG.

ADJOURNMENT

The meeting adjourned at 8:18 PM.

(Recorded by Kurt Willcox)