

MINUTES
LANE COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS
Prairie Mountain School – Media Center
5305 Royal Avenue - Eugene

December 10, 2009 - 6:00 P.M.

VOTING MEMBERS

Present

Director Greg James (WPRD), Chair	Councilor Darrell Carman (Veneta)
Councilor Chris Pryor (Eugene), Vice-Chair	Councilor Tom Munro (Cottage Grove)
Mayor Phil Brubaker (Florence)	Councilor Joe Pishioneri (Springfield)
Mayor Neil Friedman (Westfir)	Board Member Alan Laisure (School District 52)
Mayor Don Hampton (Oakridge)	Board Member Tony McCown (LCC)
Mayor Bob Hooker (Creswell)	Board Member Jim Torrey (School District 4J)
Mayor Judy Volta (Coburg)	Board Member Al King (School District 19)
Mayor Warren Weathers (Lowell)	Director Sherry Duerst-Higgins (Lane ESD)
Commissioner Rich Cunningham (EWEB)	Director Penny Jordan (Emerald PUD)

Absent

City of Junction City Representative	Lane Library Representative
Lane County Representative	Siuslaw Valley Fire District Representative
School District 68 (McKenzie) Representative	Fern Ridge Library District Representative
Port of Siuslaw Representative	W. Lane Ambulance District Representative
River Road Park & Recreation Dist. Representative	

NON-VOTING MEMBER

Board Member Mike Eyster - Lane Transit District Representative

STATE ELECTED OFFICIALS

None

GUESTS

Superintendent Colt Gill (School District 52), Councilor Alan Zelenka (Eugene)

LCOG STAFF

George Kloeppe, Bob Swank, Milo Mecham, Kay Metzger, Ann Mortenson, Andrea Riner, Byron Vanderpool, and Tom Schwetz.

CALL TO ORDER

1. WELCOME - ROLL CALL - INTRODUCTIONS

Chairperson Greg James called the meeting of the Lane Council of Governments (LCOG) Board of Directors to order at 6:16 p.m. Board Secretary Ann Mortenson called the roll of members. Chairperson James noted there was a quorum present. He indicated he would attempt to move briskly through the business agenda, so there would be plenty of time for discussion of the Board Planning Session.

Alan Laisure welcomed everyone to School District 52. He praised staff for getting the facility ready for the LCOG meeting, since they had been dealing with frozen pipes earlier in the day. Mr. Laisure introduced Colt Gill, Superintendent of School District 52. Mr. Gill also welcomed everyone and praised staff, especially the Food Services staff, for the meeting preparations. He noted that the district's Food Services department provides a hot breakfast for every student in the district every day, regardless of financial need, in order to help prepare everyone for learning. The district is able to pay for this, because the Food Services department caters events in the community and contributes over \$100,000 each year to the district budget. In addition, the district purchases the great majority of its food from local farmers and producers, rather than institutional suppliers.

2. ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

3. COMMENTS FROM THE PUBLIC

None

REPORTS

4. REPORTS FROM THE CHAIR AND EXECUTIVE COMMITTEE

Chairperson James referred to agenda support material entitled "Report of the Executive Committee" and offered no additional comments.

5. ADVISORY COUNCIL REPORTS

Executive Director George Kloepfel referred to agenda support material entitled "Advisory Council Reports". There were no additional comments.

6. REPORT FROM THE EXECUTIVE DIRECTOR

Mr. Kloepfel referred to agenda support material entitled "Comments from the Executive Director". He noted that the LCOG Board's next meeting would be on February 25, 2010 and would be hosted by EWEB. He mentioned the fundraising activities of LCOG programs –

Senior Meals and Senior Connections. Mr. Kloepfel said the agency's Adult Protective Services (APS) group would be moving into first floor offices in the Park Place Building around February 1, which has required some modest renovation work to that space. In addition, LCOG has leased 5,100 square feet of space on the second floor to the Federal Public Defender's Office, which will be moving in in late March 2010. Because of federal requirements and an accelerated timeline for occupancy, the LCOG Executive Committee, as the agency's Contract Review Board, and approved a Construction Manager/General Contractor contract with Lee Construction to do the necessary remodeling. Mr. Kloepfel noted that the region's Community Emergency Notification System (CENS), which was developed through a partnership of public agencies and private businesses and is coordinated by LCOG, is now 10 years old. He praised Galen Howard on the LCOG staff for bringing the technology and the people together. Finally, Mr. Kloepfel wished Board members a happy holiday season from the LCOG staff.

7. MPO REPORT

Chairperson James introduced Eugene City Councilor Alan Zelenka to make the annual report from the Metropolitan Planning Organization (MPO) to the LCOG Board of Directors. Mr. Zelenka was substituting for Lane County Commissioner Pete Sorenson, the Chair of the MPC, who was unable to attend.

Mr. Zelenka referred to agenda support material entitled "Central Lane MPO – Annual Report to the LCOG Board of Directors". He gave a brief history of the MPO, listed its member organizations, explained its role in regional transportation planning, and mentioned each of the plans or programs it is responsible for. Mr. Zelenka noted that the MPO helped secure over \$15 million through the American Recovery and Reinvestment Act (ARRA) for local transportation projects during 2009 – over \$6.5 million provided directly to the MPO from the federal government, over \$2.9 million through ODOT, and another \$6.4 million that went directly to LTD. He mentioned a number of infrastructure improvements that occurred or were initiated during the past year, including the pedestrian bridge over I-5, the Beltline/I-5 flyover, the LTD station at Gateway Mall, improvements to the Beltline/Coburg Road interchange, and construction for the Gateway EmX, the I-5/Willamette River bridge, and the Delta Ponds Bike Path and Bridge. Mr. Zelenka said the MPO had helped administer the statewide Oregon Household Activity Survey (OHAS) in this area, in an effort to collect detailed information about peoples' travel behavior. The Central Lane MPO is also represented on the state's Greenhouse Gas Emissions Task Force, which will study the interplay between land use decisions and transportation and how they can be coordinated to reduce these emissions. The MPO will also develop its own regional GHG inventory and action plan. Finally, Mr. Zelenka pointed out that the MPO had worked hard this past year to provide an expanded role for its Citizens Advisory Committee.

Mr. Kloepfel noted that LCOG had received some criticism about the OHAS survey, because it was conducted by an out-of-area contractor. He pointed out that the RFP and contract award for this work was handled by the State of Oregon, not LCOG, and that no in-state businesses had submitted a bid. Still, LCOG's name was on the information sent to survey participants, so it is understandable that LCOG heard some of the negative feedback.

BUSINESS ITEMS

8. CONSENT AGENDA

Chairperson James referred to agenda support material entitled “September 24, 2009 Minutes”, “FY 2010-11 Budget Assumptions and Process”, and “FY 2010-11 Dues Rates” and asked how Board members wanted to proceed.

Mayor Don Hampton moved, seconded by Board Member Tony McCown, to adopt the Consent Agenda. The motion was adopted unanimously, 18:0.

9. ITEMS REMOVED FROM CONSENT AGENDA

None

10. EXECUTIVE MANAGEMENT AND ADMINISTRATION

Mr. Kloeppe mentioned that Minutes Recorder Kurt Willcox has decided to leave his position and thanked him for his service. Mr. Willcox explained that he was recently hired into a regular part-time position at the University of Oregon and would not be able to do both jobs. He thanked LCOG for providing this opportunity and the Board members for making it an enjoyable experience.

A. FY 2008-09 Financial Statements and Audit Report

Mr. Kloeppe reported that LCOG’s auditor, Jones & Roth, has requested 10 additional days to finalize its audit report, so there is no report for the Board to review and vote on tonight. According to Jones & Roth, the delay has nothing to do with financial problems or irregularities. It is largely due to the fact that it was more difficult to pull the agency’s financial information together this year, because of the death of LCOG’s former Finance Supervisor, Marlene Siavitz. Jones & Roth will notify the Secretary of State’s office and secure the necessary extension. Mr. Kloeppe anticipates that the Board’s Audit Committee will meet with Jones & Roth on January 14 before the Executive Committee meeting to review their findings. Jones & Roth will then make a formal audit presentation to the Board at its February 25 meeting.

B. Appointments to 2010 Executive Committee (4); Election (2)

Chairperson James invited Chairperson-elect Chris Pryor to announce his Executive Committee appointments for 2010. Mr. Pryor said that in selecting four Board members to join him and Vice-Chairperson-elect Judy Volta on the Executive Committee he sought to ensure that a diversity of viewpoints was represented, as well as each type of jurisdiction that makes up LCOG. Mr. Pryor appointed Greg James (WPRD), Faye Stewart (Lane County), Phil Brubaker (Florence), and Sherry Duerst-Higgins (Lane ESD).

Chairperson James called for nominations to fill the two elected Executive Committee positions. Warren Weathers (Creswell) and Alan Laisure (School District 52) were the only two nominees. Chairperson James closed nominations and called for a vote. *Mayor Weathers and Board Member Laisure were elected to the LCOG Executive Committee for 2010. The vote was unanimous, 18:0.*

C. State Department of Human Services Funding

Kay Metzger referred to agenda support material entitled “State Department of Human Services Funding” and noted that the Legislative Fiscal Office had asked all state agencies to submit potential 5% and 10% budget reduction scenarios to help the Oregon Legislature make decisions if Ballot Measures 66 and 67 fail in January. The impacts on LCOG’s senior and disabled services would be severe. Ms. Metzger emphasized that the reduction scenarios were devised by the state’s Department of Human Services (DHS), not by LCOG.

INFORMATION ITEMS

11. INFORMATION ITEMS

A. Lane Area Commission on Transportation (ACT)

Byron Vanderpool referred to agenda support material entitled “Lane County Area Commission on Transportation” and offered to answer questions. There were none.

B. 2010 Census Report

Mr. Vanderpool referred to agenda support material entitled “Census Programs” and noted that LCOG is challenging the Census Bureau’s decision to delete about 11,000 Lane County addresses from the list LCOG gave them about 18 months ago. The Census Bureau was supposed to physically visit all addresses in the nation under its “Field Canvas” program and note their locations using GPS units, but the program was not able to accomplish this goal here or elsewhere. Mr. Kloeppel encouraged Board members to contact Bill Clingman and Ann Mortenson on the LCOG staff with their census issues.

Director Penny Jordan noted that the Florence postmistress has decided to allow delivery of census forms to post office boxes in her jurisdiction and asked what the situation will be in other rural areas. Mr. Vanderpool explained that there is no immediate federal fix for this problem; local postal authorities get to decide this issue on their own. He has spoken to Lane County Commissioner Pete Sorenson and learned there is no money available to fund a similar approach in all rural parts of the county. Mr. Vanderpool said he is still pursuing this matter with the Oregon congressional delegation, but that time is running out.

Councilor Joe Pishioneri asked about the “Field Canvas” program. Mr. Vanderpool said the program was very expensive and ran for only a short period of time, but he had no formal answer as to why it was discontinued.

C. Biofuels Project

Milo Mecham referred to agenda support material entitled “Bio Fuels Project” and a copy of a letter to him from the Interim City Manager of the City of Canby dated December 3, 2009. Mr. Mecham said the LCOG Executive Committee had directed staff to contact the City of Canby to confirm that the City was interested in having a bio-energy site in their community and the letter from the Interim City Manager does that.

In response to a question from Mayor Neil Friedman, Mr. Mecham explained that the Biofuels Project grew out of an effort by the Lane County Board of Commissioners two years ago to find alternative uses for the grass straw that will remain after field burning is completely discontinued. Feasibility studies showed there was significant energy potential in the grass straw, if it were combined with food waste to produce methane and then burned to generate electricity. LCOG secured a contract with the Oregon Department of Agriculture to develop a business plan for constructing and operating three such bio-energy sites in the Willamette Valley. Mr. Mecham reported that the business plan will be completed shortly and the first site is expected to be operational by the end of 2010. Junction City was the intended first site, but unexpected wetlands mitigation issues at the selected property have caused LCOG and the other groups involved in the project to start with their projected second site in Canby. This will hopefully allow them to meet the terms of the contract with the state and retain state funding. Mr. Friedman asked why such a facility could not be located in Westfir or Oakridge, given their high unemployment levels, and make use of forest slash. Mr. Mecham explained that the initial focus would be on grass straw and that biofuels facilities would be sited near the sources of the grass straw, in order to reduce transportation costs. If the grass straw project is successful, Mr. Mecham said there is definite interest in developing facilities to create wood bricks out of forest waste.

Councilor Tom Munroe asked why the groups working on this project had chosen an anaerobic process for breaking down the grass straw, rather than a thermal polymerization process, which he understood had been used very effectively elsewhere. Mr. Mecham said the process is called pyrolysis, and explained that it requires more centralized processing, and noted that using it would require significantly more energy to transport the grass straw.

Mr. Brubaker asked where exactly things stand with the Canby site and who would be making the announcement that the first Biofuels facility would be there, rather than in Junction City. Mr. Mecham said the project participants are in the process of securing state approval to amend the contract and allow construction to occur in Canby. He said he expects an answer soon and a decision on the business plan in January or February.

Ms. Jordan asked what incentive grass seed farmers would have to truck their waste to these biofuels facilities. Mr. Mecham said there is no other market for the grass straw and noted that many farmers already have two years’ worth of waste they need to dispose of. They used to be able to sell it in Japan for animal feed, but China has completely taken over this market, so this is no longer an option.

Mr. Cunningham mentioned that EWEB will be buying electricity from the Seneca biomass facility once it is constructed and asked if grass straw could be used there. Mr.

Mecham said the process used by Seneca will be similar to the one mentioned by Mr. Munro. LCOG's research shows that this would not be the most efficient way to generate electricity from the grass straw. In addition, Mr. Mecham noted that waste from the anaerobic process will be rich in nutrients and could be used as compost on the grass seed farmers' fields. Mr. Cunningham expressed concern about pollutants that might be emitted during the electricity generation process and inquired how that might affect LCOG's ability to secure the necessary air quality permits for the project. Mr. Mecham said that project planners have considered this issue and have included clean-burning and exhaust scrubbing equipment in the design of the facilities.

Mr. Weathers asked why there is no private sector involvement in this project. Mr. Mecham said there is definitely private sector interest, but potential investors are reluctant to get involved until the development process is further along and it is clearer to them that this will be a safe investment. This is well-established technology in Europe, Mr. Mecham noted, but it is quite new here. LCOG and other project participants want these biofuels facilities to be privately owned and operated; they believe the best way to accomplish this is to get the first facility up and running successfully. Besides, said Mr. Mecham, there is very limited financial risk for LCOG, because most of the initial funding is coming from federal stimulus money and state funds. Mr. Pishioneri asked if any specific investors have expressed interest in the project. Mr. Mecham said he is aware of two or three such potential investors.

Mr. Brubaker expressed concern about the possibility that LCOG could end up owning property outside its boundaries in Canby for an extended period of time. Mr. Mecham said this was an unlikely, worst-case scenario, because of the expected private investment.

Ms. Jordan asked if LCOG was working with a public utility in Canby to purchase the electricity the facility would generate. Mr. Mecham said Canby functions as its own utility and that PGE is right across the street from the selected site. Canby indicates that PGE is interested in buying power from the proposed biofuels facility.

D. Aging and Disabilities Resource Center Report

Ms. Metzger referred to agenda support material entitled "Aging and Disabilities Resource Center Report" and offered to answer any questions. There were none.

E. Appreciation Dinner, January 28

Mr. Kloeppe reminded Board members that the annual LCOG Appreciation Dinner will occur on January 28, 2010 at Lane Community College and noted that invitations will be going out soon.

F. First Quarter Financial Summary

Mr. Kloeppe reported that revenues for the first quarter came in at 33% of the annual budgeted amount, while expenditures stood at 20%. LCOG is thus about \$3.4 million ahead of its budget, which is where it should be at this point in the fiscal year. Mr.

Kloeppel reminded Board members that this is simply a cash in/cash out accounting of LCOG's current financial situation.

BOARD PLANNING SESSION

12. BOARD OF DIRECTORS PLANNING

Mr. Kloeppel referred to agenda support material entitled "Follow-Up to Board Planning Session" and noted that the Executive Committee had reviewed the chart notes and high-priority outcomes that were produced at the Board's September 24 Planning Session. The Executive Committee's recommendation is that the Board focus on two policy areas – "Communication & Governance" and "Human Services". It further recommends that the Board set up task teams, consisting of Board members, LCOG staff, and others with expertise in these policy areas, to meet separately from the Board and identify action steps LCOG could take, along with participating jurisdictions, to improve our region. As an example, Mr. Kloeppel suggested that a task team could devise a plan that would enable local communities and jurisdictions to communicate their needs and concerns in a cohesive manner to the Oregon Legislature. It could also help local jurisdictions address governance questions, such as the survival of small school districts, using special districts to deliver services, and whether to combine fire and ambulance services in the metro area. He asked Board members for their input.

Ms. Volta praised the sense of momentum created during the Board Planning Session and urged members to come up with a working plan to maintain that momentum. She said one key governance issue is to create a sense of seamlessness among jurisdictions, so citizens won't become lost among government entities as they try to get their problems resolved.

Board Member Jim Torrey noted that it will take money to accomplish whatever goals the Board sets and said that money won't be available until more jobs are created in this area and people are able to return to work. He praised the recent Economic Summit that Eugene City Manager Jon Ruiz spearheaded, suggested having Mr. Ruiz brief the Board on the summit's results, and urged the Board to make "Economic Development" the policy area it concentrates on.

Mr. Brubaker supported this approach and said the Board's focus should be on "jobs, jobs, jobs". Mr. McCown agreed and suggested that LCOG could provide regional coordination for economic development. Board Member Al King suggested inviting someone from the Lane Metro Partnership to attend LCOG Board meetings to facilitate working with them on economic development issues. He also expressed support for helping coordinate a regional approach to the Oregon Legislature.

Mr. Pryor supported making economic development a Board priority, but said it will be difficult reaching agreement on specific steps, especially when there is a cost attached. He felt LCOG might be in a good position to play a coordinating role. Mr. Torrey noted that at the Economic Summit the group he took part in tried to identify barriers to economic development and how to overcome them. One example cited was finding a way to connect a jurisdiction

with developable land, but limited planning resources, with a jurisdiction that could provide planning capacity.

Mr. Pishioneri said this sounded like the Team Springfield concept in his community. Each year, a variety of local agencies, such as Willamalane and the school district, get together with city representatives, develop a set of common goals, and then create a “punch list” of projects they’re all willing to work on - and contribute to - for the coming year. He said LCOG would be a perfect forum for coordinating creation of a regional economic development “punch list” for 2010. Mr. King supported having LCOG look at such an approach.

Mr. McCown expressed reservations about jumping right into the creation of an economic development “punch list”. He felt this could result in an uncoordinated, short-term approach. Instead, Mr. McCown urged the Board to focus first on helping communities and jurisdictions create a strategic economic development vision. We are good at recruiting businesses, he said, but we haven’t always succeeded at supporting them after they’re here or in growing existing, local businesses. Once we have a shared vision, Mr. McCown said, then we should develop the “punch list”.

Mr. Pryor said there seems to be agreement on the importance of economic development, but he also expressed concern that the Board find a way to do something concrete in this area, not just discuss it every two months at meetings. He suggested having the Executive Committee, joined by several Board volunteers, meet with outside experts to identify obstacles and incentives to economic development that LCOG could have an impact on. Then the Executive Committee could bring a set of specific proposals back to the Board for discussion and adoption.

Ms. Metzger noted that one specific project in the human services area to consider is the effort United Way is making to establish a 211 information line. This would allow people to call and talk directly to a person about their issue or question and get a good referral to the proper agency or jurisdiction for addressing it.

Ms. Volta pointed out that each Board member’s agency or jurisdiction has an obligation to examine whether its actions and regulations are helping or hurting business recruitment, economic development, and the creation of family wage jobs. She urged the naming of a task team tonight, so LCOG can continue moving forward in its planning. Chairperson James agreed on the need for a task team and action plan and recommended there be a mechanism, such as a listserv, for keeping those not on the task team informed of its activities.

Mr. Torrey suggested that Mr. Pryor, as the incoming Board Chair, be empowered to designate a task team from among the Executive Committee and any Board volunteers between now and the end of the year. Chairperson James asked if there was consensus to proceed in this manner. Board members unanimously consented to do so. Chairperson James said LCOG would keep Board members updated on the task team’s activities.

Mr. Weathers asked that the task team be provided with the results of the Economic Summit. Mr. Kloeppel committed to furnishing Board members with a summary of the summit’s findings.

Mr. Kloeppe noted there had been a significant shift during the discussion tonight from “Communication and Governance” and “Human Services” to “Economic Development” as the Board’s primary focus for the coming year. He said LCOG staff is committed to assisting in this endeavor. He offered to work on making a connection for the Board with the Lane Metro Partnership. He also expressed support for LCOG’s involvement in the 211 information line and for helping local jurisdictions coordinate their approach to the 2011 legislative session.

OTHER BUSINESS

13. Adjournment

The meeting adjourned at 8:00 p.m.

(Recorded by Kurt Willcox)