

# Agenda Item Number 4.

## Report of the Executive Committee

**Presenter:** George Kloeppe

**Action Recommended:** None. Information Only

### Meeting Notes:

#### Meeting of August 13, 2009

The LCOG Executive Committee was called to order at 5:30 on Thursday, August 13, by Board Chair Greg James in the LCOG Park Place Office in Eugene.

Members present were:

Willamalane P&R District Director Greg James  
Lane ESD Director Sherry Duerst-Higgins  
Coburg Mayor Judy Volta  
Oakridge Mayor Don Hampton (by conference phone)  
Eugene Councilor Chris Pryor  
Springfield School District Director Al King  
Lane County Commissioner Faye Stewart  
Florence Mayor Phil Brubaker (by phone)

Staff members attending included Bob Swank, Byron Vanderpool, Kay Metzger, Ann Mortenson and George Kloeppe. The Committee considered:

#### September Board of Directors Agenda

A draft agenda proposed for consideration by the Board at its September 24 meeting was discussed. Kloeppe noted that the meeting would begin with a light supper at 5:30, with the abbreviated business meeting scheduled to begin at 6:00. The agenda anticipated that the business of the Board could be addressed in 30 minutes and that the 6:30 to 9:00 period would be used for the Board's Planning Session. While not on the draft agenda as information items, Kloeppe indicated

that a possible project for telecommunications improvements in the \$8 million range was becoming more likely, as staff complete work on an ARRA grant to the Departments of Commerce and Agriculture. He also announced that the national Urban and Regional Information Systems Association (URISA) had awarded LCOG's RLID program a Distinguished System recognition—one of three in the nation. The proposed September agenda was considered appropriate by the Committee.

### **Board Planning Session**

Ann Mortenson's summary of the results of polling Board members (most significant issues) was discussed. A proposed design for the Planning Session was presented by George Kloeppel. There was general agreement that the designed Session could be held within the two and a half hour time frame, but it was also acknowledged that the Board should not be pressed to complete its identification of initiatives for LCOG action. Mayor Hampton emphasized that the small group interaction was important, in itself, and that the final steps of the process could be held over until December. The Committee discussed the suggested use of small groups. Rather than ask each group to focus on only one of the broad categories of issues, it was decided that each of four groups, with the help of a facilitator, would utilize an hour to address all four categories. The group members would be pre-assigned to their groups. The groups' task would be to consider desirable end-results and to focus on outcomes (not visions). The groups would be urged to avoid spending time complaining about the status quo, but to identify one desirable outcome for each of the four topics. These sixteen "outcomes" would then be taken back to the full group to be considered as potential LCOG initiatives. The criteria for making the final list of one, two or three initiatives would be regional import and LCOG relevance.

### **Executive Director Biennial Performance Review**

Kloeppel presented a draft memo summarizing his understanding of the information provided through the "360 Degree" review process and suggesting goals or areas of emphasis for the coming 24 months. The Committee discussed the process and Kloeppel's conclusions and considered the latter appropriate. With the Committee's endorsement, Kloeppel agreed to submit his follow-up report to the Board in September.

## **Member Dues Strategy**

Although a Dues Schedule for FY 2010-11 was not scheduled to come before the Board of Directors until the December meeting, Kloepfel invited the Committee's input on an approach to Dues. He noted that the Dues rates had been held constant for two years. While keeping pace with whatever inflationary pressures existed in the economy, Kloepfel indicated that maintaining the current rates, in recognition of the challenges facing local governments, could be the most appropriate strategy. He added that the tradition of incorporating a defensible inflation factor to the rates was also an important value—thus maintaining a consistent buying power for that revenue stream. The Committee's counsel was that for the next fiscal year the existing rates should be maintained.

## **Agency Legal Counsel**

Kloepfel reported that the agency's management team had engaged in a process to secure Legal Counsel services. The interest of eight law firms, including the current provider, was solicited. Five submitted proposals and three of those (including the current provider) were scheduled for interviews. Those interviews by a five-member management panel having been completed, the decision was made to enter into a retainer relationship with the Local Government Law Group, a component of the Speer Hoyt LLC firm, for Legal Counsel services.

## **Collective Bargaining Report**

Kloepfel informed the Committee that agreement had been reached with the LCOG Employees Association for a one-year contract. The primary provision of the agreement was a deferral until January 2010 of a 2.75 percent cost-of-living-adjustment (COLA). The SEIU/LCOG agreement began a second year of a two-year term in July. However, without opening the agreement for renegotiation, a Labor Management Committee sought modifications to the agreement from union members. Ultimately agreed upon were (1) switching the entire membership to an HRA health insurance program (used for several years by the rest of the agency); (2) retention of the previously agreed upon 2.75 percent COLA effective July 1, 2009; and (3) a one-day-per-month unpaid furlough day (with the S&DS office closed) and a 3.5 percent salary reduction. Kloepfel expressed appreciation to the staff and their representatives for assisting in managing challenging economic circumstances.

## **State Funding for LCOG S&DS**

SDSD Director Kay Metzger provided an update on the State Department of Human Services' calculations of funding for LCOG (and other "transfer AAAs") for the biennium. She noted that the "equity" issue continues to exist and that LCOG will be funded at a significantly lower level (90 percent) than would a State workforce doing the same tasks. She indicated that, even with the legislatively imposed six-month "freeze" on transfer AAAs staff allocations, because of caseload growth in Lane County, the allocation to LCOG could be higher than was anticipated in the adopted LCOG Budget. She explained that there is a caseload "snapshot" taken in May of odd numbered years that establishes the assumed magnitude of service demand for the entire two-year period. While subject to variables, such as a possible public vote on the Legislature's tax increases, the currently known allocation would preclude the necessity of layoffs within the division for the time being. Agency management, along with the S&DS Management Team, is currently analyzing the projected allocation data to determine a responsible strategy regarding the one-day-per-month furloughs and the possible gradual refilling of positions that have been held vacant. Kloeppel indicated that, based upon past experience, LCOG will be careful in its response to information from Salem that has a tendency to frequently change. However, he said, there is some reason for optimism that the current biennium will be manageable as a result of State funding.

## **Year-End Financial Status and Transfers**

Associate Director Bob Swank presented a memo summarizing end-of-year fund transfers. He noted that the Financial Statements would be available to the Audit Committee and then the Board later in the fall. He noted that the uncertainty during the year regarding the financing for the S&DS Division, plus the substantial costs of renovating and moving into the Park Place Building were significant drivers in the agency's fiscal life during FY 2008-09. He also noted the restricted credit market conditions which made obtaining necessary resources for the renovation difficult. He thanked the City of Eugene and Councilor Pryor for stepping up to assist with a bank loan. He noted that the General Fund transferred \$25,000 to the SDS operation, \$80,000 to the GIS program, and \$775,000 to the renovation project. The General Fund received a transfer of \$150,000 from LCOG's Telephone Reserve account. Swank summarized that it was "a good year without major problems..." The Committee expressed appreciation for the report.

### **Meeting of September 10, 2009**

The LCOG Executive Committee was called to order at 5:30 on Thursday, September 10, by Board Chair Greg James in the LCOG Park Place Office in Eugene. Members present were:

Willamalane P&R District Director Greg James  
Lane ESD Director Sherry Duerst-Higgins  
Coburg Mayor Judy Volta  
Oakridge Mayor Don Hampton  
Eugene Councilor Chris Pryor  
Springfield School District Director Al King  
Florence Mayor Phil Brubaker  
Lane County Commissioner Faye Stewart

Staff members attending included Bob Swank, Byron Vanderpool, Kay Metzger, Ann Mortenson and George Kloepfel. The Committee considered:

### **Board Meeting & Planning Session**

Kloepfel reviewed the draft agenda for the September 24 meeting of the Board at Willamalane. The Committee had directed that the business agenda be kept short in order to maximize the time available for the Planning Session. The meeting was scheduled to begin at 6:00 with a light supper provided at 5:30. It was agreed to add the minutes of the previous meeting to a Consent Agenda and to address the election of officers and the acceptance of Executive Director's "Goals" from the spring Performance Review. In addition, six brief information items would be highlighted. From approximately 6:30 to 9:00, the Planning Session would be conducted.

### **Board of Directors Planning Session**

The Committee reviewed and discussed the background material related to the Planning Session. It was suggested and agreed to strengthen the purpose terminology on the meeting agenda and to accept the revised "issues" headings. It was agreed that attendees would be pre-assigned to individual tables for the small group discussions. Kloepfel was asked to revise the agenda item summary to reflect the new issues headings.

## **Executive Director's Biennial Performance Review**

A follow-up memorandum from George Kloeppe, outlining possible goals for the next 24 months, had received preliminary review by the Committee in August. Under this item, the Committee agreed that the proposed goals were appropriate and recommended acceptance by the Board at its September 24 meeting.

## **SDS Division Funding Update**

Kay Metzger distributed a memorandum which both provided background information on the State's fund allocation process and described the initial allocation data from the Department of Human Services. While the legislatively imposed "hiring freeze" (a reduction in the allocation to Transfer AAAs, such as LCOG) and the "equity" issue by which LCOG will receive only 90 percent of the funds that the State would require to manage the program are in place, the projected funding for LCOG's program is higher than was anticipated (feared) in the spring. As a result, both the Medicaid and Project Independence resources will be up from the current budget—unless the State's tax increases are overturned. Metzger noted that caseloads continue to increase and that additional staffing is urgently needed. Based upon the projected modest increases from currently budgeted levels, management has determined to maintain the one-day-per-month furlough policy (for SEIU-represented staff) through December, but to initiate a process for rebuilding staffing levels. The deferred cost-of-living-adjustment (COLA) for Employee Association-represented staff will be applied in January 2010. She also noted that management was moving forward with the implementation of the grant-funded Aging and Disability Resource Center, which will have two additional people on the staff by mid-spring.