

## Agenda Item Number

4.

### Report of the Executive Committee

**Presenter:** George Kloeppe

**Action Recommended:** None. Information Only

#### Meeting Notes:

##### Meeting of October 13, 2011

The LCOG Executive Committee was called to order at 5:30 p.m. on Thursday, October 13, by Board Chair Chris Pryor in the LCOG Park Place Office in Eugene. Members present were:

Eugene Councilor Chris Pryor  
Lane ESD Board Member Sherry Duerst-Higgins  
School District 19 Director Al King  
Lane County Commissioner Faye Stewart  
Florence Mayor Phil Brubaker (on phone)

Staff members attending included Bob Swank, Kay Metzger, Sandra Karsten and George Kloeppe.

##### December 8 Board of Directors Meeting Topics

George Kloeppe distributed a listing of the topics that would be included on the December 8 Board of Directors' agenda. A "featured presentation" on LCOG's Business Loan Program was included. Business items included were: the 2010-11 Financial Statements and Audit Report, the appointment/confirmation of four Executive Committee members and election of two additional members, the receipt of the annual MPO report from the MPC Chair, approval of the 2012-13 member dues rates, and the adoption of the Budget Assumptions and Process for FY 2012-13. Also expected to be on the agenda were information reports on the HUD grant (Livability Consortium), the implementation of the agency Communications Plan, and the Executive Committee's action to reduce costs in the Senior Meals Program. The outline of the agenda was considered acceptable by the Committee.

##### 2-1-1 Program

Kloeppe reminded the Committee that the Board had asked that LCOG request municipal support for the 2-1-1 Program at the rate of \$0.10 per capita for the current fiscal year. He noted that it had been United Way's expectation that such support would be ongoing. Kloeppe had communicated with the CEO's of the 12 cities and the County in April alerting them to this expectation, but had taken no further action, such as invoicing, awaiting counsel from United Way. Chris Pryor noted that he, as a United Way employee, was now heading the 2-1-1 effort.

He expressed the belief that the responsibility for generating municipal support should rightly rest with United Way. Kloeppel was asked to send a memo to the municipal CEOs indicating that LCOG would not be invoicing for the current year's contributions, but that United Way remained in need of financial support and would be in touch with local jurisdictions.

### **FY 2012-13 LCOG Dues**

Kloeppel reviewed the history and purpose of member dues for the council of governments and noted that for a number of years the published CPI had been utilized to adjust the dues rates. He said that for the past four years the rates had been kept level, although the Board had agreed to a 1.15 percent increase for FY 2010-11 that was subsequently reversed. Although the August-August CPI had been in excess of 3 percent, he recommended that the Committee advise the Board of Directors to hold the rates stable for FY 2012-13. Without motion, the Committee agreed and asked that the current rates be presented to the Board in December.

### **Executive Director Recruitment Process**

Chris Pryor called the Committee's attention to George Kloeppel's memo of October 8 and his own memo of October 13. He reviewed the appointments to the Search Committee—four Board members and four stakeholders (Nancy Golden, Dave Hauser, Liane Richardson and Jon Ruiz). He indicated that the staff was prepared to solicit proposals from executive search consultants both by direct contact and through advertisement. Also, he reported, that two proposals had already been received from Lane County and from the League of Oregon Cities. He said that he would attend Search Committee meetings on a non-voting basis and that Associate Director Bob Swank had been designated as the primary staff resource to support the Committee's work. Pryor anticipated that the Committee would be convened shortly after the October 28 deadline for the submission of proposals and that it would likely meet for a second time before the December 8 Board meeting. He expressed the hope that the selected consultant or agency could be represented at that Board meeting. The Committee expressed approval of the Chair's appointments to the Search Committee.

### **S&DS Meals Program, Funding Shortage, Corrective Action**

Meals Program Manager Sandy Karsten and SDS Director Kay Metzger called the Committee's attention to an October 4 background memo related to the funding shortfalls in the Senior Meals Program. Metzger distributed a second memo and spreadsheet (October 13) that reflected modifications to the initial recommended corrective actions. She reported that the Planning & Budget Committee, a subcommittee of the two advisory councils, had met and had recommended modifications to the recommendation. Subsequently, the SSAC had met and approved the "guiding principles" for service reductions as amended by the P&B Committee. Further, she noted, the SSAC had asked staff to consider an option that reduced meals in the larger sites by one meal a month. Thus modified by the advisory groups, the recommendation of staff was that the Executive Committee consider two options. Each would close the one-day-per-month site at Loraine effective January 1. The other cost reduction recommendations were discussed by the Committee. By motion (Stewart and Duerst-Higgins) the Committee approved the Guiding Principles, as recommended. By motion (King and Duerst-Higgins) the Committee approved the closure of the Loraine site, effective January 1. By motion (King and Stewart) the Committee approved the option 2 recommendation that there be a one day per month closure in the three- and five-day-per-week sites with MOW recipients receiving frozen meals the day before such

closures. AND that staff be authorized to use its discretion to implement, as necessary, the option 3 recommendation that would reduce service one-day-per-week at the four low income housing facilities where a Café 60 is located. MOW recipients would receive a frozen meal the day before such closures to maintain service levels. All three motions were passed unanimously.

### **Disability Services Advisory Council, Member Appointments**

Kay Metzger reviewed the October 5 memo by which the DSAC Nominating Committee's recommendations for appointment and re-appointment were conveyed. By motion (King and Stewart) the Committee re-appointed L.M Reese and Robert Fritson for two-year terms; appointed Marianne Malott and Ed Necker; and appointed to one-year Community Representative Member positions Terry Parker, Jessica Harris and Kathy Jenness.

### **Audit Committee Vacancy**

Associate Director Bob Swank noted that there was a vacancy on the three-member Audit Committee brought about by the resignation (from the Committee) of Florence Mayor Phil Brubaker. It was decided without motion to defer an appointment of a replacement. Board members Greg James and Rich Cunningham continue to serve as members of the Committee.

### **FY 2012-13 Budget Assumptions**

Bob Swank reviewed the proposed Budget Assumptions, which anticipated a Dues rate increase of zero, a zero percent increase in agency cost for health insurance premiums, and a zero percent cost-of-living adjustment (COLA). It was understood that there would be an opportunity in November for the Committee to again review the Assumptions, prior to their submission to the Board of Directors for approval. Other elements of the proposed Assumptions called for a maintenance of the current PERS rate, continued merit pay increases (based upon evaluations) for those employees not at the top step in their ranges, the continued effort to maintain compensation at a level comparable to similar positions in the same job market, the provision of adequate workspace, equipment and training to staff, continuing building of the agency's General Fund, continuation of the policy to make programs and contracts self-supporting, the potential transfer of funding to the S&DS Division in light of the funding equity issue, and the presentation to the Board of new programs or program reductions when such arise.

### **HUD Livability Grant**

Kloeppel reported that the three large general purpose jurisdictions had approved the Memorandum of Understanding and overall project work program. Further, he said, that the project budget had undergone substantial change to align tasks, agencies and funds available. The changes had not as yet been approved by HUD, but he was guardedly optimistic that the project could be fully underway within a month.

### **Meeting of November 10, 2011**

The LCOG Executive Committee was called to order at 6:00 p.m. on Thursday, November 10, by Board Chair Chris Pryor in the LCOG Park Place Office in Eugene. Members present were:

Eugene Councilor Chris Pryor

Coburg Mayor Judy Volta  
LCC Director Tony McCown  
Florence Mayor Phil Brubaker (on phone)

Staff members attending included Bob Swank, Kay Metzger, Byron Vanderpool, Jamon Kent, Ann Mortenson and George Kloeppe.

### **December 8 Board of Directors Meeting Topics**

George Kloeppe distributed a draft agenda for the Board of Directors' meeting of December 8. The Committee reviewed the draft, which included a presentation by Steve Dignam on the Business Loan Program. The Committee requested that agenda item 7, Report from the Executive Director Search Committee, be reworded if the search consultant was going to be present. The Committee requested that agenda item 11.a, S&DS Senior Meals Budget Shortfall, be treated at a report, rather than discussion, item. The Committee requested that there be a report on the new 3<sup>rd</sup> floor tenant (Park Place Building) and the tenant improvements and proposed financing—Resolution 2011-6. Otherwise, the agenda was considered appropriate.

### **FY 2012-13 LCOG Dues Rates, Final Review**

George Kloeppe referred to a background memo, dated November 3, in which he had recommended the maintenance of all of the dues rates from FY 2011-12. He noted that he had followed-up with a subsequent memo, dated November 10, advising the Committee that a reduction in the dues rate for Lane County from \$0.26 per capita to \$0.217 per capita for FY 2012-13 would be appropriate. This, he argued, would recognize the substantial fiscal pressure on the County. He indicated that he had been in contact with County Administrator Liane Richardson, and that she had indicated that such a reduction (16.5 percent) would be well received by the County's Budget Committee and Board of Commissioners. In response to a question, Kloeppe indicated that the "cost" to LCOG would be approximately \$15,000—depending upon the final certified population of the county. It was moved and seconded (Volta and McCown) to support the Executive Director's proposal and recommend that the Board of Directors adopt the following dues rates for FY 2012-13:

Cities	\$0.470 per capita
Schools	0.117 per FT Student
Utilities	0.117 per Service Account
Sp Districts	\$470 Flat Rate

And that Lane County's dues for the coming fiscal year be set at \$0.217 per capita, in lieu of the present rate of \$0.260.

Motion carried unanimously.

### **Budget Assumptions and Process**

Associate Director Bob Swank referred to his November 3 memo by which Budget Assumptions, prepared by agency management, were transmitted. Also presented to the Committee was a process schedule for the development and ultimate adoption of the FY 2012-13 Budget. Swank specifically noted that the recommended Assumptions called for a zero dues increase, a zero

increase in employer-paid medical insurance premiums, a zero cost-of-living increase for staff, and maintenance of current PERS contribution rates. The recommended process called for two meetings of the agency Budget Committee and final adoption of the Budget by the Board of Directors on June 28. After some discussion it was moved and seconded (McCown and Volta) that the Assumptions and recommended Process be endorsed and recommended to the Board of Directors for adoption. Motion carried unanimously.

### **FY 2011-12 First Quarter Financial Report**

A report of revenues and expenditures for the first three months of the current fiscal year was presented in tabular and graphic formats. George Kloeppe noted that the cash position of the organization was at an expected point at the end of September 2011. Revenues exceeded expenses for the period by \$5,632,981, and total personal services (staff) costs were at 24 percent of budget at the end of the first quarter.

### **Exemption from Contracting Rules, Public Hearing**

Associate Director Bob Swank referred to “findings” in support of an exemption from contracting rules that had been sent to the Committee in the pre-meeting material. He noted that a tenant had been secured (lease signed two days previous) for space on the third floor of the Park Place Building. As a condition of the lease, an expedited construction schedule for required improvements was required. It was recommended that a Construction Management/General Contractor (CM/GC) process be utilized. As provided by Oregon purchasing rules and LCOG’s own purchasing procedures, sufficient findings are required to justify an exemption from the use of a full bid process and the use of a CM/GC process. It was noted that the proposed work would be in the \$250,000 range and that all subcontractors would be selected based on a competitive bid process.

Acting as the agency’s Contract Review Board, the Executive Committee was called upon to hear public comment on the proposed findings and recommended exemption. Chair Chris Pryor opened the public hearing. There was one person seeking to provide comment—Mr. Jerry Valencia. Mr. Valencia indicated that he opposed the exemption. He criticized area public agencies for their use of the CM/GC process for multi-million dollar construction projects, asserting that other local contractors should have an opportunity to bid on projects utilizing public funds. He indicated that he had no problem with Lee Construction, Inc., which was proposed to serve as construction manager and general contractor for the needed third floor tenant improvements in the Park Place Building. He understood that subcontractors would be selected, based upon a competitive bid process. But he expressed the opinion that the use of the CM/GC process worked to the disadvantage of local contractors. Mr. Valencia distributed a November 10 memo from State Senator Lee Beyer, chair of the Senate’s Interim Committee on Business, Transportation and Economic Development, reporting on the formation of a work group to assess public contracting issues and to develop “broad support” for legislation to be drafted for the Legislature’s 2013 Session. Distributed to the Committee was a November 4 memo from Gerald McDonnell & Associates Architects in which the time requirements of the “traditional” process were compared to those of the CM/GC process proposed by staff. The memo made a clear argument that the CM/GC process would save time and money. There being no further public comment, the public hearing was closed by the Chair.

Discussing the issue, members of the Committee asked Swank about the need for an expedited construction process. Swank noted that securing Dynamic Measurements Group as a tenant had been a very competitive process and that the desired occupancy date (requiring the completion of tenant improvements) was a hard-and-fast requirement of the tenant. He further noted that the proposed work would be bid by prospective subcontractors, and that securing this tenant was financially important to LCOG. He stated that the CM/GC process would save not only time, but substantial money. After some discussion in which Committee members expressed their general support for the full bid process, when such was possible, it was moved and seconded (McCown and Brubaker) that the findings be adopted and that Resolution EC 2011-05 “Authorizing an exemption from standard competitive procedures for a public improvement contract for contract management/general contractor services to complete Dynamic Measurements Group’s office improvements in the LCOG-owned Park Place Building” be adopted. Motion carried unanimously.

### **Executive Director Recruitment Process, Search Consultant Approval**

Chris Pryor reported on the Search Committee’s November 8 meeting and that committee’s review of the proposals received from prospective search consultant organizations and firms. Pryor noted that it was the Search Committee’s recommendation that LCOG contract with Neher & Associates and that a representative of the firm be asked to come before the Board of Directors on December 8. After some discussion, it was moved and seconded (McCown and Brubaker) to approve the Search Committee’s choice and to authorize staff to enter into a contract with. Motion carried unanimously. The Committee agreed that, if the consultant could be present on December 8, the Board meeting could be moved from Cottage Grove to the LCOG office to allow the Search Committee a pre-meeting gathering in a convenient location.

### **Audit Committee Report**

Associate Director Bob Swank reported on the Audit Committee meeting held immediately prior to the meeting of the Executive Committee. A.C. Committee member Greg James met with Matthew Graves of Pauly, Rogers and Co and LCOG financial staff. The content of the Auditor’s Report was shared. For FY 2010-11 fiscal transactions, the auditor found that LCOG was in compliance with accounting principles, auditing standards, Oregon Municipal Audit Law, and federal, state and other agency rules and regulations related to federal awards. The result of the audit was an unqualified “clean” opinion “with no reservations.” The Financial Statements and Audit Report will be presented to the Board of Directors for acceptance on December 8.

### **HUD Grant, Lane Livability Consortium**

Government Services Director Byron Vanderpool presented a status report on LCOG’s Sustainable Communities grant from the federal Department of Housing and Urban Development. He noted that the revised work program and budget had been submitted to HUD for approval and that Stephanie Jennings of Eugene would be serving as project manager. He asserted that all partners were prepared to sign the revised Memorandum of Understanding, once HUD approval of the work program had been secured.

There being no further business to come before the Executive Committee, the meeting was adjourned by Chair Pryor at 7:30.