

PROPOSED FY 2012-2013 BUDGET ASSUMPTIONS

1. The CPI for the prior year is 3.77% (August Annual Average 2011 CPI-U for US). The percentage used to compute the dues rate increase will be 0.0%.
2. Health Insurance premiums are expected to increase 10%. Each 10% increase in insurance costs results in a 1.25% increase in total compensation. The goal this year will be to limit the increase to 0.0% based on plan adjustments and/or employee participation in premiums.
3. A cost of living adjustment to the salary schedules of 0.0% will be budgeted.
 - a. The State SEIU will receive 1.5% in December 2011 and 1.45% in January 2013.
 - b. The estimated City of Eugene increase is ? %
 - c. Lane County is ?
4. The current LCOG employer PERS rate is 12.52% and the OPSRP rate is 11.24%. The rates will not change until July 1, 2013.
5. Specific details of compensation and health insurance will be determined through negotiations with the LCOG bargaining units.
6. Merit increases are expected to increase total compensation. Employees are eligible for 3.5% annual merit increases. However, almost 50% of employees will be at the top step of their salary range, which means that they are not eligible for merit increases.
7. LCOG compensation, including salaries and benefits, will be comparable to similar positions in the same job market. This is required to attract and retain quality employees.
8. LCOG will provide adequate workspace, equipment and training to enable employees to be productive and effective.
9. The agency will continue to build a General Fund reserve with the goal that the reserve exceeds two months of payroll cost.
10. To the maximum extent possible, all programs or contracts will be self-supporting. LCOG General Fund dollars will only be used when required as match or to provide temporary support to a program or to support a strategic initiative.
11. S&DS, as a local transfer agency, has a significant funding equity issue compared to State operated S&DS. In the past, additional resources have been required to maintain adequate staffing levels in the program.
12. New programs or program reductions will be individually presented to the Board.