

MINUTES
LANE COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS

Council Chambers – City Hall
680 Greenwood – Junction City

December 11, 2003 - 7:00 P.M.

VOTING MEMBERS

Present

Director Jerry Miller (Lane ESD), Chair
 Mayor Sue Bond (Oakridge)
 Director Greg James (Willamalane)
 Director Al King (School District 19)
 Commissioner Patrick Lanning (EWEB)
 Director Ken Miller (Port of Siuslaw)

Commissioner Anna Morrison (Lane County)
 Councilor Pat Patterson (Cottage Grove)
 Director Chris Pryor (School District 4J)
 Councilor Nan Osbon (Florence)
 Mayor Ron Petitti (Creswell)
 Director Dennis Shine (LCC)
 Director Sandi Young (Siuslaw Public Library)

Absent

Veneta
 Junction City
 Coburg
 Lane County
 EPUD
 School District 52
 Springfield

Dunes City
 Western Lane Ambulance District
 Lowell
 Eugene
 Fern Ridge Library District
 Westfir
 School District 68

STATE ELECTED OFFICIALS

None

GUESTS

Forest Arnold, Kent Huntsaker, Jean Miller, Jack Minter, Faye Stewart

LCOG STAFF

George Kloeppe, Sandy Karsten, Jamon Kent, Janet Minter, Bob Swank, Byron Vanderpool

1. CALL TO ORDER – ROLL CALL

Chairperson Jerry Miller called the meeting of the Lane Council of Governments (LCOG) Board of Directors to order at 7:10 p.m.

LCOG staff Janet Minter called the roll of members. LCOG Executive Director George Kloeppel stated that a quorum was present.

Kitty Vodrup welcomed members of the Board to Junction City on behalf of the City Council, City Manager, and City staff.

Chairperson Jerry Miller invited members of the staff to introduce themselves. He welcomed Mayor Sue Bond as a newly appointed representative of Oakridge.

2. REQUESTS FOR ADDITIONS TO THE AGENDA

LCOG Executive Director George Kloeppel requested that Agenda item 11.A be considered earlier than scheduled to accommodate its presenter.

Chairperson Jerry Miller determined there was consensus to approve the request and stated that the item would be considered immediately after approval of the Consent Agenda.

Note: Items adjusted in sequence or added to the agenda are reported in these minutes with their original agenda numbering.

3. CONSENT AGENDA

Chairperson Jerry Miller noted that the Consent Agenda contained approval of the following items:

- Minutes of October 18, 2003, Meeting
- West Coast Corridor Transportation Coalition Resolution 2003-2004 Expressing Support
- Fiscal Year 2004-05 Budget Assumptions and Process
- Fiscal Year 2004-05 Member Dues Schedule, Rates
- Appointment of New Members to Senior Meals Advisory Committee

MOTION: *Commissioner Anna Morrison moved, seconded by Director Chris Pryor to approve the Consent Agenda. The motion was adopted unanimously, 13:0.*

11. EXECUTIVE MANAGEMENT AND ADMINISTRATION

B. Fiscal year 2002-03 Financial Statements and Report of Auditor

Mr. Kloeppel referred to his cover letter and a document entitled "Lane Council of Governments Annual Financial Report for the Year Ended June 30, 2003" distributed with the agenda of the meeting. He referred to a section of the Report entitled "Schedules of Resources and Requirements – Budget and Actual" and reviewed information it contained about state requirements and LCOG practices in budgeting. He said the year had been a difficult one, but that he believed management had acted prudently and appropriately.

Mr. Forest Arnold stated that he represented James & Roth, CPAs and Business Consultants which had conducted an audit and prepared the Financial Report. He expressed appreciation to LCOG Administrative Services Director Bob Swank and his staff for their support in preparation of the report.

Mr. Arnold stated that the audit format in the report was expanded for the first time to include accounting for all assets. He said the audit showed that the financial statements fairly presented the financial position of LCOG in all of its activity areas. He said the auditor's report expressed an unqualified opinion on the financial statements, the most favorable rating possible. He said no reportable conditions of internal control or noncompliance with the requirements of federal award programs were found.

Mr. Arnold reviewed tests and checks performed on LCOG financial records in the audit. He drew attention to changes made in the audit model and explained that they were being implemented by all government agencies in Oregon.

Members discussed the report.

MOTION: *Director Greg James moved, seconded by Director Pryor to accept the Financial Statements and Audit Report and authorize their submission to the State of Oregon. The motion was adopted unanimously, 13:0.*

COMMENTS AND PRESENTATIONS

4. COMMENTS FROM THE PUBLIC

None

5. COMMENTS FROM THE CHAIR AND EXECUTIVE COMMITTEE

Chairperson Jerry Miller referred to Agenda Support Material entitled "Report of the Executive Committee." He invited feedback on reorganization of meeting agenda, as reported in the meeting notes it contained.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Mr. Kloeppel referred to Agenda Support Material entitled "Comments from the Executive Director." He noted that a calendar of 2004 meetings of the Board was attached and said six of the ten scheduled dates still had no location or host identified.

Mayor Bond volunteered to host the May meeting in Oakridge. Director Ken Miller Volunteered to host the June meeting at the Port of Siuslaw. Councilor Nan Osborn volunteered to host the October meeting in Florence.

Commissioner Morrison noted that the date scheduled for the February meeting was scheduled for the time when many officials would be in Washington DC on the annual "United Front" lobbying trip.

Director Al King encouraged consideration of using alternate dates, especially Saturdays, for meetings of the Board.

Mr. Kloeppe reported that the criterion for including items on the Consent Agenda of a meeting was clear recommendation of the Executive Committee. He said any item that could be controversial would not be included.

Mr. Kloeppe emphasized that all Board members were invited to participate in the new member orientation scheduled for 6:00 p.m. January 22.

Mr. Kloeppe reported that the LCOG Board had been asked to recommend a representative of a non-metro area city for appointment to the Regional Investment Board by the Board of County Commissioners. He said the matter would be included on the agenda of the January meeting.

7. SPECIAL PRESENTATION

None.

BUSINESS ITEMS

8. ITEMS REMOVED FROM CONSENT CALENDAR

None.

9. LOCAL GOVERNMENT SERVICES

None.

10. SENIOR AND DISABLED SERVICES

None.

11. EXECUTIVE MANAGEMENT AND ADMINISTRATION

A. Nominating Committee Report

Chairperson Jerry Miller noted that Mayor Gary Williams, Commissioner Patrick Lanning, and Director Pryor had served as the Nominating Committee.

Director Pryor reported that the Nominating Committee had met and agreed to nominate Director Jerry Miller to serve as Chairperson and Mayor Warren Weathers to serve as Vice Chairperson in 2004.

Chairperson Jerry Miller determined there were no further nominations.

MOTION: *Director Dennis Shine moved, seconded by Mayor Ron Petitti, to accept the report of the Nominating Committee and elect Director Jerry Miller chairperson and Mayor Warren Weathers vice chairperson for 2004. The motion was adopted unanimously, 13:0.*

C. Criteria for Exploration of Regional Issues

Mr. Kloeppe referred to Agenda Support Material entitled “Criteria for LCOG Exploration of Regional Issues” deferred from consideration at the October meeting. He reviewed information it contained about the development and rationale for proposed standards to be met for discussion or “Special Presentations” at Board meetings, as follows:

- Public policy topics that have impacts upon multiple jurisdictions within our region.
- Public policy topics that have impacts upon multiple types of member government, e.g. schools, cities, county.

Members discussed the proposed standards and appeared to agree that they be set as guidance for including items on meeting agenda.

D. Executive Director Cost-of-Living Salary Adjustment

Chairperson Jerry Miller referred to Agenda Support Material entitled “Executive Director Cost-of-Living Salary Adjustment” and reviewed development of recommendations made by the Executive Committee, as follows:

- a. Approve a two percent Cost-of-Living Adjustment to the Executive Director’s salary effective July 1, 2003, making his monthly salary \$8,424.
- b. Authorize for future years the same Cost-of-Living salary adjustment as is made for management and non-represented staff of the agency.

Commissioner Morrison stated that she agreed with the e-mail message sent to all members of the Board from Commissioner Bill Dwyer expressing disapproval of any salary increase for the Executive Director at this time. She said she believed “tightening of belts” needed to begin at the top.

Director Pryor said he believed not providing a Cost-of-Living Adjustment was to lower an employee's salary because buying power was reduced by inflation. He said anything above a Cost-of-Living Adjustment should be considered an increase in pay.

Director King said he believed the cost of employee benefits needed to be considered when computing salaries. He determined that the premium for health insurance for the Executive Director was paid by LCOG and was low compared to other public employees.

Councilor Pat Patterson determined that the last salary adjustment received by the Executive Director had been a 1.8 percent increase in July 2002. He said he believed LCOG was well managed and provided valuable services for smaller jurisdictions. He said he supported the recommendations of the Executive Committee.

Director Pryor said he believed there were worthwhile, but competing, principles involved in the decision about a Cost-of-Living Adjustment for the Executive Director. He said he agreed that leaders should share in the financial hard times of an agency, but noted that other employees had received a two percent Cost-of-Living Adjustment. He suggested that it might be possible to recognize competency of leadership by a salary adjustment that was not tied to the cost-of-living index.

Mayor Petitti asked if the Cost-of-Living Adjustment given to LCOG employees was required to be given to the Executive Director. Chairperson Jerry Miller replied that it was not because the Executive Director was a separate employee of the Board of Directors. He said the recommendations of the Executive Committee had taken into consideration an investigation of comparable agencies in Oregon.

MOTION: *Commissioner Ken Miller moved, seconded by Councilor Patterson to accept the report of the Executive Committee and adopt its recommendations regarding Cost-of-Living salary adjustment for the Executive Director. The motion was adopted, 12:2, with Commissioner Morrison voting no with Lane County's two votes.*

INFORMATION ITEMS

12. ADVISORY COUNCIL REPORTS

Mr. Kloeppel referred to Agenda Support Material entitled "Advisory Council Reports" and noted it contained reports of the activities of the Metropolitan Policy Committee, Disability Services Advisory Council, and Lane Economic Committee. He said the reports were intended to keep members informed about the groups and to provide background when recommendations were received from them.

13. REPORTS OF STATE AND NATIONAL ASSOCIATIONS

Mr. Kloeppel referred to Agenda Support Material entitled “Advisory Council Reports” and noted it contained reports of the activities of the Oregon Regional Councils Association (ORCA) and National Association of Regional Councils (NARC) Executive Directors Conference held October 29 – November 1, 2003.

Director King asked if ORCA had been an active organization. Mr. Kloeppel replied that the meeting reported on had been an attempt to revitalize and increase ORCA activity. Chairperson Jerry Miller added that the State of Oregon was increasingly looking to regional councils of governments for leadership.

Director King said he believed there would be value in having an active association of regional councils. Mr. Kloeppel said Executive Directors of Oregon regional councils were in regular contact and that increasing ORCA activity would benefit Lane County.

BOARD DISCUSSION

14. REPORT OF POSSIBLE “DISAPPROPRIATION COSTS” TO EDUCATION AND HUMAN SERVICES

LCOG Staff member Jamon Kent referred to Agenda Support Material entitled “Possible ‘Disappropriation’ Costs to Education and Human Services.” He reviewed information it contained about revenue losses in Lane County that would result from failure to approve House Bill 2152, referred for voter approval by initiative as Ballot Measure 30 at a February 3, 2004, special election.

Mr. Kent reported that if voters overturned the measure, the state would lose \$792 million in revenue. He explained that the 2003 Legislature had adopted a procedure for allocating such a reduction to the various state-supported agencies and programs.

Mr. Kent said the revenue loss would result in a reduction to K-12 school districts of \$544 per student in 2003-04 and \$586 in 2004-05 throughout the State. He said support for Lane Community College would be reduced by \$450,000 a year and that the University of Oregon would receive as yet undetermined reductions.

Mr. Kent said human services in Lane County, including LCOG’s Senior and Disabled Services, would experience a revenue reduction of approximately \$6-8 million for 2003-05.

Mr. Kent noted that a table attached to the Agenda Support Material summarized reductions to the budgets of Lane County education districts and human service agencies that would result from rejection of Ballot Measure 30.

Director Shine said he appreciated the depth and quality of the report of Mr. Kent. He said the Lane Community College (LCC) Board of Directors had recently hosted a meeting of

area school district administrators in which it was learned that the Creswell School District was already unable to provide counseling and career centers for students and that the Marcola School District was not able to offer technical and professional programs. He said he believed further reductions in support for schools would most seriously affect smaller districts and likely create an impetus to merge with larger neighboring ones.

Director Shine said the report identified a regional issue affecting a broad range of the LCOG constituency and was appropriate for consideration by the Board. He suggested that a resolution about the negative effects of the defeat of Measure 30 be prepared to be considered at the next meeting of the Board.

Councilor Patterson said he believed the report showed the results of the loss of wood product industries in Lane County. He said he was concerned that merging school districts would create transportation and other unforeseen problems.

Director Pryor said his nine years of experience had led him to recognize the importance of stopping the “Walmartization” of public education. He said his Eugene 4J District saw no financial advantage in merger with smaller districts and that other solutions to the problems created by revenue reduction needed to be explored.

Director James requested that additional information regarding the impacts of revenue reductions be prepared for the Board.

Director Shine asked if it would be appropriate for a motion requesting a resolution expressing LCOG opposition to Measure 30 to be prepared for the Board. Director King replied that he would prefer waiting for any such action until the discussion regarding Goal Setting scheduled to follow was concluded.

Commissioner Morrison left the meeting at 8:30 p.m.

15. FOLLOW-UP TO GOAL-SETTING SESSION

Kent Huntsaker stated that he was Executive Director of the Confederation of Oregon School Administrators (COSA), having recently retired as Superintendent of Bethel School District 52 in Eugene. He expressed appreciation that the Board was engaged in consideration of the issues facing public schools. He said the report of Mr. Kent had succinctly captured the dilemma.

Mr. Huntsaker said he had been asked to facilitate Board discussion regarding suggested actions or areas for potential increased emphasis that had emerged from its July Goal Setting Session, as follows:

1. Recognizing that much of the policy control over educational services has shifted to State government, orchestrate a coordinated, clear advocacy message to the Legislature that reflects the interests of the region and emphasizes issues of quality of life and economic well being. Seek financial support.

2. Organize and support a cooperative program involving citizens and the districts of Lane County to find new efficiencies and ways to “re-invent education” that can be provided in a more cost-effective manner.
3. Look at land use patterns, growth projections, long-range growth management strategies and the structure of educational boundaries.

Director Shine said he would like the Board to adopt a memorial resolution regarding the regional impacts of the defeat of Measure 30. He said he believed such action was a responsibility of the Board.

Mr. Huntsaker said he had recently learned that the State Income Tax Surcharge referred to voters in Measure 30 amounted to \$5 a month for average Oregonians. He said the financial difficulties faced in Oregon resulted from over dependence on the income tax and that he believed there was a need for long-term tax reform.

Director Sandi Young said she believed a resolution as suggested by Director Shine would have little significant effect. She suggested that it would be more effective to publicize the type of information contained in the report of Mr. Kent. She said such reports were an LCOG forte and that the most effective ways for its dissemination should be studied.

Mr. Huntsaker said he believed using such information as background for editorial opinions expressed by *The Register-Guard* and other newspapers would be effective and that it could also be used in a press conference or lobbying efforts with State Legislators.

Director Shine said he agreed that resolutions often had little effect, but that they had proved effective in seeking federal support for the dredging of the Port of Siuslaw.

Director Pryor said he believed information and resolution efforts could have short-term benefits, but that a change voter in opinions that there were no problems with education was also needed. He suggested that the most effective advocacy for education came from non-vested interests.

Director King said he believed it would be important for the Board to determine the level of staff resource appropriate to commit to education issues and/or the preparation of an effective resolution or information campaign. He suggested that it could be effective to limit LCOG efforts to addressing member organizations.

Mr. Kloeppe said he believed LCOG was best at providing information with some measure of objectivity. He said creating a report on educational issues was consistent with the LCOG charge and its skills, but that he believed the most effective influence on public voting decisions was carried out by member agencies and the media.

Director Ken Miller said he planned to take the report of Mr. Kent to the Port of Siuslaw Board of Directors. He said additional information would be helpful.

Director King said he believed it would be important for members of the Board to determine how much effort they were willing to put into the effort and to not just rely on staff to take on additional work.

Councilor Patterson said the timing of any effort was important. He said it would have no benefit if it took place after the special election. Director Ken Miller added that he agreed it was important to do something now.

Director Pryor suggested that a task force be created to work with Mr. Kent to develop initiatives that could be brought to the Board.

Chairperson Jerry Miller determined there was agreement that discussion of support for educational services should continue and that Reports of Member Agencies be removed from the agenda of the meeting.

Director King said he did not believe recent voter polls showed Measure 30 would be adopted. He suggested that it would be important to consider alternatives for support of education. He said he agreed with the suggestion of Director Pryor to form a task force.

Mr. Kloeppe referred to a map entitled “Lane County School District Enrollment” posted in the meeting room. He reviewed information it contained and said it had been prepared by LCOG staff in 2002. He said it was an example of the type of data that could be produced regarding growth projections and the development of strategies in educational boundary considerations.

Director James said he had heard members identify two possible Board efforts to support educational institutions and services, as follows:

1. Before the Special Election – accurate information, identified by source, and advocacy for passage of Measure 30.
2. Formation of a task force to develop “longitudinal” efforts for continuing problems.

Director Young said information prepared for public dissemination needed to be short and simple. In addition, she said, the target of any information needed to be identified as it was prepared.

Director Pryor said he had information about “OUR – Oregon Coalition Voter Education Project” that could be helpful in preparing information. Mayor Bond requested that the information be shared with all members of the Board. Mr. Huntsaker added that COSA had also prepared information regarding the impacts of Measure 30 that he would share.

Director Shine said it was his experience that smaller newspapers were especially amenable to using background information to create editorial opinion. He suggested that any information prepared include reports of impacts to rural school districts.

Chairperson Jerry Miller noted that the sources of some data used in the report of Mr. Kent had been identified, but that others had not. He suggested that attribution for all information be provided.

Mr. Kloeppe said he had heard direction from the Board to “clean up” and add to the information in the report of Mr. Kent for publication by LCOG and dissemination through members of the Board. He also said there appeared to be interest in having LCOG staff create new scenario/options that could be considered if Measure 30 was rejected by voters.

Mr. Huntsaker said overcoming a “defeatist attitude” about voters approving Measure 30 was appropriate and cited recent polling information and historic trends to support his belief.

Mr. Kloeppe said that changes and additions would be made to the report, an executive summary added, and it would be delivered to members of the Board electronically. He said did not believe discussion of the suggestion to form a task force to create recommendations for further LCOG action to strengthen education services had reached a conclusion and would be included on the agenda of the January meeting of the Board.

Chairperson Jerry Miller encouraged members to make other suggestions for additional matters to be included on the agenda of the next meeting.

16. REPORTS OF MEMBER AGENCIES

None.

17. ADJOURNMENT

The meeting adjourned at 9:35 p.m.

(Recorded by Dan Lindstrom)