

MINUTES
LANE COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS

Prairie Mountain School
5305 Royal Avenue
Eugene

December 1, 2005 - 7:00 P.M.

VOTING MEMBERS

Present

Mayor Gary Williams (Cottage Grove), Chair	Mary Lehman (Siuslaw Library District)
Mayor Phil Brubaker (Florence)	Mayor Sid Leiken (Springfield)
Director Sherry Duerst-Higgins (Lane ESD)	Director William McCoy (Lane Library Dist.)
Keyte Hladky (Fern Ridge Library District)	Commissioner Anna Morrison (Lane County)
Director Greg James (Willamalane)	Councilor Gary Papé (Eugene)
Director Susie Johnston (LCC)	Commissioner Katherine Schacht (EPUD)
Director Alan Laisure (School District 52)	Director Anette Spickard (School District 4J)
Commissioner Patrick Lanning (EWEB)	Mayor Diana Tonkin (Westfir)

Absent

City of Creswell Representative	Junction City Representative
City of Coburg Representative	School District 19 (Springfield) Representative
City of Lowell Representative	School District 68 (McKenzie) Representative
City of Oakridge Representative	Port of Siuslaw Representative
City of Veneta Representative	Western Ambulance District Representative
Dunes City Representative	

STATE ELECTED OFFICIALS

None

GUESTS

Forrest Arnold, Jim Carlson, Jon Lee, Mike Lewis, Tim Keeley, Fred Welding, Gordon Zimmerman

LCOG STAFF

George Kloeppe, Kay Metzger, Ann Mortenson, Ted Stevens, Bob Swank, Tom Schwetz, Paul Thompson, Byron Vanderpool

1. CALL TO ORDER – ROLL CALL

Chairperson Gary Williams called the meeting of the Lane Council of Governments (LCOG) Board of Directors to order at 7:05 p.m.

LCOG Board Secretary Ann Mortenson called the roll of members. LCOG Executive Director George Kloeppel stated that a quorum was present.

Director Alan Laisure introduced Vice Principal Jon Lee, who welcomed members to Prairie Mountain Middle School. Interim Superintendent Tim Keeley welcomed members to the Bethel School District.

2. REQUESTS FOR ADDITIONS TO THE AGENDA

Commissioner Anna Morrison requested that discussion of the importance of understanding the work of the Metropolitan Policy Committee (MPC) be added to the Agenda.

Chairperson Williams determined there was no objection and the item was added.

PUBLIC COMMENT

3. COMMENTS FROM THE PUBLIC

None.

COMMITTEE REPORTS

4. REPORTS FROM THE CHAIR AND EXECUTIVE COMMITTEE

Chairperson Williams stated that he had no verbal report, and determined that no other members of the Executive Committee wished to make a comment.

Mr. Kloeppel referred to Agenda Support Material entitled "Report of the Executive Committee" and noted that it contained notes from meetings held on October 20 and November 17, 2005.

5. ADVISORY COUNCIL REPORTS

Mr. Kloeppel referred to Agenda Support Material entitled "Advisory Council Reports" and noted that it contained reports of meetings of the MPC, Lane Economic Committee, Senior Services Advisory Council, and Disability Services Advisory Council.

6. REPORT FROM THE EXECUTIVE DIRECTOR

Mr. Kloeppel referred to a document entitled "Comprehensive Economic Development Strategy – Cascades West Economic Development District / Regional Investment Strategy – Benton-Lane-Lincoln-Linn (BL3) Regional Investment Board." He noted that it had been recommended for approval by the Oregon Cascades West Council of Governments Community and Economic Development Committee, the LCOG Lane Economic Committee, and the BL3 Regional Investment Board. He said it would be considered at a joint meeting of BL3 Boards of County Commissioners in January 2006 and be presented to the

LCOG Board of Directors in February. He invited members to study the economic strategies it contained.

Mr. Kloeppe referred to Agenda Support Material entitled "Comments from the Executive Director." He noted that a meeting schedule it contained showed there were openings for members to host Board meetings in June and December 2006.

Mr. Kloeppe commented on the recent deaths of two former Board members and highlighted other information in the material about grants received, staff support for United Way and EarthShare campaigns, and approval of the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). He explained that it authorized federal funding for highways, highway safety, and transit projects for 2005-2009.

BUSINESS ITEMS

7. CONSENT AGENDA

Chairperson Williams noted that the Consent Agenda proposed the following:

- A. Approval of Minutes of September 22, 2005, meeting
- B. Acceptance of First Quarter (July-September) Financial report
- C. Acceptance of Member Dues Schedule for FY 2006-07
- D. Acceptance of Executive Committee Recommendation of Board Discussion Topics for the Year
- E. Appointment of New Members to Senior Meals Advisory Committee

Commissioner Morrison moved, seconded by Director Anette Spickard, to approve the Consent Agenda. The motion was adopted unanimously, 14:0. (Note: Library Districts share a single vote.)

8. ITEMS REMOVED FROM CONSENT AGENDA

None.

11. EXECUTIVE MANAGEMENT AND ADMINISTRATION

C. Fiscal Year 2004-05 Financial Statements and Audit Report

Mr. Kloeppe referred to Agenda Support Material entitled "FY 2004-05 Financial Statements and Audit Report" and a document entitled "Lane Council of Governments Annual Financial Report for the Year Ended June 30, 2005."

Michael Lewis stated that he was a Shareholder of Jones & Roth, CPAs and Business Consultants that had prepared the Independent Auditor's Report contained in the document. He reviewed the Report, emphasizing its opinion that LCOG financial statements fairly presented its governmental and business financial information. He

noted that the Report also contained information about the compliance of LCOG with Governmental Auditing Standards and other applicable compliance requirements. He said there were no “findings” in the report and complimented the LCOG staff for its diligence and accuracy in managing the agency’s financial records.

Forrest Arnold stated that he also represented Jones & Roth. He said there were only minor changes to regulations regarding the audit of governmental agencies, in comparison to 2004. He reviewed notes to the financial statements regarding LCOG loan programs and investments.

Councilor Gary Papé requested that the Board be provided a list of “impaired loans” held by LCOG. Mr. Kloeppe said he would prepare such a list, within the limitations of legal confidentiality agreements.

Mr. Arnold explained that most current LCOG loans were in programs designed for rural businesses that had difficulty obtaining funds from other sources. He said higher rates of defaults than commercial lending agencies were anticipated. He said most of the funds used were from federal resources requiring below market interest rates. He said an “impaired” state of a loan often resulted from it being re-structured to a below-market interest rate. Mr. Kloeppe added that LCOG loans were also always in a second position to those of the partner bank.

Councilor Papé asked if the audit showed that LCOG had appropriate loan policies in place. Commissioner Morrison replied that she was a member of the LCOG loan authorization committee. She said all of the members were highly qualified and committed to their fiduciary responsibilities. She explained that businesses were required to provide independent resources, in addition to bank financing, before they were approved for LCOG loans. She said a recent addition to the LCOG loan portfolio included a \$500,000 grant that would be made available for loans to Lane County urban area businesses.

Councilor Papé asked what impact would there be on the overall financial status of LCOG, if a business defaulted on the repayment of a loan in one of its loan programs. Mr. Arnold replied that loan resources were completely separated from other LCOG operating and program resources. Commissioner Morrison added that all LCOG loan programs issued regular financial statements for public review.

Councilor Papé asked why the audit review of insurance and fidelity bond coverage only noted that they were in place. Mr. Lewis replied that Jones & Roth did not have expertise in evaluating such insurance, but had ascertained that the coverage existed. Mr. Kloeppe added that such coverage was provided with the advice and counsel of reputable local insurance brokerage firms.

Commissioner Patrick Lanning moved, seconded by Director Sherry Duerst-Higgins, to accept the Lane Council of Governments Annual Financial Report and Audits for the Year Ended June 30, 2005, and to authorize their submission to the State of Oregon. The motion was adopted unanimously, 14:0.

9. LOCAL GOVERNMENT SERVICES ITEMS

Chairperson Williams invited Commissioner Morrison to initiate a discussion of the MPC, as she had requested.

Commissioner Morrison noted that the MPC annual report had been received at the September Board meeting and that notes from recent MPC meetings had been received earlier in the meeting in the Advisory Council Reports. She said she believed the work of the Committee was of such significant importance that it warranted scheduling additional time for discussion of it at the next meeting of the Board. She said she was specifically interested in developing an increased understanding of dispute resolution practices involved in its consideration of controversial issues.

Chairperson Williams said he appreciated and supported the request.

Commissioner Morrison suggested that the newly elected MPC Chairperson be invited to make a presentation at the next meeting, especially as to how the work of the Committee affected more than the urban areas of the County. She said she believed the Board should be more aware and engaged with the issues involved.

Mr. Kloeppe provided background information regarding the formation of the MPC and how the LCOG Board had delegated some of its federal Metropolitan Planning Organization (MPO) responsibilities to it over a period of time. He said the triennial federal review of MPO operations would not begin until 2007 and that it would be appropriate for the Board to be fully aware of its responsibilities and role in MPO decisions in the meantime.

10. SENIOR AND DISABLES SERVICES ITEMS

None.

11. EXECUTIVE MANAGEMENT AND ADMINISTRATION ITEMS

A. Report of the Nominating Committee and Election

Director Greg James reported that he, Director Susie Johnston and Commissioner Morrison had been appointed as the 2006 Nominating Committee. He said the members had reached consensus to nominate Mayor Gary Williams to continue as LCOG Board Chairperson for a second year and to nominate Commissioner Patrick Lanning to continue as Vice Chairperson for a second year.

Chairperson Williams asked if there were additional nominations.

Mr. Kloeppe stated that there were no Board Bylaw specifications regarding officer term limitations. He said it appeared to be tradition that the Chairperson served for two consecutive years, but that there was no regular practice regarding the ascendance of the Vice Chairperson to Chairperson.

Councilor Papé asked how the Board Executive Committee was constituted. Mr. Kloeppe replied that the Committee was made up of the Chairperson, Vice Chairperson, and four members of the Board appointed by the Chairperson and confirmed by a vote of the Board.

Director Keyte Hladky moved, seconded by Mayor Phil Brubaker, to re-elect Gary Williams as Chairperson and Patrick Lanning as Vice Chairperson of the LCOG Board of Directors for 2006. The motion was adopted unanimously, 14:0.

B. Appointments to the Executive Committee

Chairperson Williams stated that he had contacted current members of the Executive Committee and had ascertained their willingness to continue serving. He said he was pleased with their commitment and ability and said he was prepared to reappoint Greg James, Alan Laisure, Anna Morrison, and Warren Weathers.

Councilor Papé said he believed that because additional authority had been given to the Executive Committee in 2005, it could be important to appoint new members to provide valuable continuity in future years.

Chairperson Williams said he believed the broadly representative nature of the current Executive Committee membership was also important to maintain and that no inquiries or interest in serving had been shown by other members of the Board. He said he had not solicited volunteers to be appointed.

Director Mary Lehman said that time was required to gain necessary knowledge to serve on the Board; she supported encouraging at least a two-year appointment to the Executive Committee. She asked that a list of the years of service of current Committee members be provided to the Board. Mr. Kloeppel replied that he would prepare such a list.

Councilor Papé moved, seconded by Director Duerst-Higgins, to request that current members of the Executive Committee serve until the February meeting of the Board, that the Chairperson ascertain the interest of all members of the Board in serving on the Executive Committee, and that a decision regarding confirming appointments of the Chairperson to the Executive Committee for 2006 be made at that meeting.

Director James said it was his experience that the “learning curve” to serve on the Executive Committee was steep and that it was helpful to serve more than a single year. He said he also believed it was important to have members represent a broad spectrum of the LCOG membership.

Mayor Sid Leiken said he had supported holding fewer meetings of the Board of Directors and giving additional responsibilities to the Executive Committee. He said such practices emphasized the importance of having Executive Committee members serve more than one year, but that he did not favor making it a Bylaw requirement.

In response to a question from Mayor Brubaker, Mr. Kloeppel explained that the Bylaws limited membership on the Executive Committee to four persons, in addition to the officers.

Chairperson Williams said he would welcome expressions of interest in or suggestions of persons qualified for service on the Executive Committee.

The motion regarding confirmation of appointments to the Executive Committee was adopted unanimously, 14:0.

D. Planning for July Board Goal Session

Mr. Kloeppe referred to Agenda Support Material entitled “Planning for July Goal Session, Subcommittee Proposal.” He reviewed suggestions it contained to form a subcommittee to work with a facilitator to “set the table” for the annual Board Goal Setting Session.

Mr. Kloeppe suggested that three members of the Board work with three staff members in the proposed effort by (1) looking at the LCOG mission for possible revisions, (2) looking at LCOG services to stakeholders, (3) looking at LCOG services to the general public, and (3) looking at LCOG business operations. He estimated that the effort would require three meetings, beginning after December.

There appeared to be general agreement that the proposal was acceptable.

Director Duerst-Higgins, Councilor Papé, and Director Spickard volunteered to serve on the proposed subcommittee.

INFORMATION ITEMS

12. INFORMATION ITEMS

A. Fiscal Year 2006-07 Budget Assumptions and Process

Mr. Kloeppe referred to Agenda Support Material entitled “FY 2006-07 Budget Assumptions and Process.” He said the assumptions and process had been approved by the Executive Committee. He noted that they set parameters for negotiations related to employee salary bargaining and for the time line for adoption of the next budget.

B. Senior and Disability Services Leadership Changes

Mr. Kloeppe reported that Ted Stevens had announced his intention to retire as Director of LCOG Senior and Disability Services (S&DS) on January 31, 2006. He said he had appointed S&DS Program Manager Kay Metzger as his successor and that a process to fill her position had begun. He described the value of Mr. Stevens to LCOG, and to regional, state, and national senior and disability efforts. He expressed appreciation for his 18 years of service.

Chairperson Williams read Board Resolution 2005-06, EXPRESSING APPRECIATION FOR THE SERVICE OF THEODORE DREW STEVENS, and presented a plaque containing it to Mr. Stevens.

Commissioner Lanning moved, seconded by Commissioner Morrison, to adopt Resolution 2005-06 EXPRESSING APPRECIATION FOR THE SERVICE OF THEODORE DREW STEVENS. The motion was adopted unanimously, 14:0.

C. Amendment of Oregon Project Independence Budget

Mr. Kloeppe referred to Agenda Support Material entitled “Amendment to the Current Year Budget for Oregon Project independence (OPI).” He noted information it contained about the changes that had occurred in funds provided for OPI and the Budget revisions for expenditure of the funds that had been approved by Advisory Councils and Executive Committee.

D. SMARTways To School Program

LCOG Transportation Division Manager Tom Schwetz reported that Lane Transit District (LTD) would be inviting Board members to a celebration of the successful completion of the first year of SMARTways To School. He said approximately one-half of high school students in the area in which it was offered participated in the program. He explained that it was funded by a Business Energy Tax Credit managed by LCOG.

SPECIAL PRESENTATION

13. LOCAL GOVERNMENT FINANCE

City of Eugene Assistant City Manager Jim Carlson made a presentation on local government finance and discussed the following:

Typical Operating Revenue Sources:

- Property Taxes: Permanent Operating Rate
Local Option Levies
Special Districts
Compression
- Intergovernmental Revenue: Tobacco and Liquor Tax
Revenue Sharing
Federal/State/Local Grants
- Licenses/Permits: Franchise Fees
- Fines
- Charges for Services/Rentals
- Miscellaneous: Interest Earnings
Donations
Property Sales

Alternate Revenue Sources

- Local Income Tax: Corporate
Personal
Payroll Tax
- Gross Receipts Tax
- Local Sales Tax/Selective Sales Taxes: Gasoline
Restaurant
Admissions/Amusement
- Additional Utility Fees: Street Maintenance
Franchise Fee on Local Utilities
Utility Consumption Tax
- Business License Fees: General Business License
Telecommunications Tax

Capital Funding Sources:

- Property Taxes: General Obligation Bonds
Capital Local Option Levy
- Urban Renewal Tax Increment
- System Development Charges

- Local Improvement District
- Charges for Service or User Fees
- Donations
- Grants

Financing Mechanisms:

- General Obligation Bonds
- Revenue Bonds
- Limited Tax Bonds
- Certificates of Participation or Lease Purchase Financing
- Assessment Bonds
- Tax Increment Bonds
- State or Federal Loan Programs
- Public/Private Partnerships

Members discussed the presentation.

MEMBER AGENCY REPORTS AND DISCUSSION

None.

OTHER BUSINESS

None.

14. ADJOURNMENT

Mr. Kloeppel announced that the next Board meeting was scheduled for February 23 and that the agreed upon Special Presentation topic was “Telecommunication, Internet Service to Rural Areas.” He asked if there was interest in changing the topic to one related to the Lane County Public Safety revenue issue to be placed before the voters. He determined that he would seek further input through contact with individual members and that a decision would be made by the Executive Committee.

The meeting adjourned at 9:05 p.m.

(Recorded by Dan Lindstrom)