

# Agenda Item Number 4.

## Report of the Executive Committee

**Presenter:** George Kloeppe

**Action Recommended:** None. Information Only

### Meeting Notes:

#### Meeting of March 16, 2006

The LCOG Executive Committee met on Thursday, March 16, at the LCOG office in Eugene. Members present for the meeting were LCOG Board Chair, Mayor Gary Williams, Mayor Warren Weathers, Commissioner Anna Morrison, Anette Spickard, and Greg James. Staff members attending included Bob Swank, Byron Vanderpool, Kay Metzger, Jamon Kent, Ann Mortenson and George Kloeppe. The Committee considered:

#### April 27 Board Agenda

The Committee reviewed the preliminary list of topics for consideration by the Board of Directors at the April meeting. Kloeppe sought the Committee's direction regarding the "special topic discussion" for that meeting. Previously, the Board had identified "education, workforce development and economic development" as the regional topic for consideration in April. Kloeppe sought the Committee's direction as to the most appropriate "outside" speakers to prompt the Board's discussion. Asserting that there was a close relationship between education, the availability of a qualified workforce and the economic well being of the region, the Committee requested staff to recruit Chuck Forster or another representative of the Workforce Partnership, Jack Roberts or another representative of the Metro Partnership and Mary Spilde or another representative of LCC. It was suggested that a panel approach might be constructive, and that such a panel might include a former student (a success story) as an example of effective workforce development efforts.

Other topics expected to come before the Board of Directors in April included a possible discussion of the several economic development efforts (committees and organizations) in the region, an update of the SDS Area Plan, and a Revised FY 2005-06 Budget.

### **2006 Budget Committee Appointments**

Following a brief staff report and review of the background memo on this topic, it was moved and seconded (Weathers and James) to appoint Wayne Michael Lottinville to a three-year term as a citizen member of the LCOG Budget Committee. Motion carried unanimously. Without motion, the Committee endorsed one-year appointments of Greg James, Anette Spickard and Gary Williams as Budget Committee members. It was noted that the Budget Committee's first meeting (of two) will be held on April 20 at the LCOG office.

### **Lane Economic Committee (LEC) Appointments**

Based upon a recommendation from the LEC, five appointments to the Lane Economic Committee were made. It was moved and seconded (Weathers and Morrison) to re-appoint Chuck Forster, Hal Reed, John Tamulonis and Mike Blomme to three-year terms, and to appoint Jenny Ulum to a three-year term. Motion carried unanimously.

### **July Goal-Setting Session**

Kloepfel reported that the eight-member committee would meet with the facilitator on March 20 to shape the design of the July 27 Session.

### **Analysis of "Overlapping" Economic Development Organizations**

As an outgrowth of a discussion by the Board in February, staff had been directed to work with a three-member Board committee (Morrison, Weathers and Bond) and to prepare a report "regarding the purpose and effectiveness of the Lane Metro Partnership, Lane Economic Committee, and Economic Development Standing Committee of the Board of County Commissioners." A set of 15 questions, proposed by Mayor Weathers, had been sent to the key staff members of the three organizations and responses solicited. It was noted that the response from the Lane Metro Partnership had been received and passed along to the committee; it was also reported that the County's Standing Committee and the Lane Economic Committee would review the proposed responses prepared by their respective staff

members on March 20 and 23 respectively. Commissioner Morrison expressed disappointment that review was considered necessary. She and Mayor Weathers, both members of the ad hoc committee of the Board, indicated that they, along with Mayor Bond, could review the responses to the 15 questions from the three organizations and prepare a report to the Board. It was agreed that such a report would not be necessarily ready for the April Board meeting—but might be.

### **MPC Transportation Planning Operation, Follow-Up to Board Discussion**

The February discussion by Board of Directors' with Commissioner Bobby Green of the Metropolitan Policy Committee was reviewed. Kloepfel noted that he had orally summarized that discussion at the MPC's March 9 meeting. The Executive Committee discussed the current situation in which transportation planning decisions have been delayed because of sharply different views by MPC members on the West Eugene Parkway project. The Executive Committee concluded that it would be important for the LCOG organization to "stay on top of" the issue, as ultimate responsibility for the MPO's process and performance rested with LCOG. Staff was requested to continue to update the Committee on progress toward the resolution of disputed issues.

### **LCOG's Auditing Firm**

In response to an issue raised by Greg James at the previous month's meeting, Bob Swank reported that the agency had not sought bids on auditing services for 18 years. The firm of Jones and Roth had served as the agency's auditor since 19\_\_\_. Swank noted that the actual number of firms that would be expected to respond to an RFP from an agency of LCOG's size was limited—Jones and Roth being the only one of which he was aware in the local area. Greg James noted that the agency's auditors are really employed by the Board and that it would be desirable to validate or refute the continued employment of Jones and Roth through an RFP process. Such a process would be, in his view, an act of "due diligence" to assure that the purpose of the annual audit of LCOG's Financial Statements was being fulfilled. It was suggested that staff return to the Executive Committee with a recommendation for an RFP process. Swank indicated that he would review the current contract with Jones and Roth and prepare a recommendation for the Committee's consideration. It was understood that the Committee would be represented (on behalf of the Board of Directors) in any process to seek proposals from potential auditing firms.

## **Prospective Refinance of the Schaefers Building**

Associate Director Bob Swank reviewed a background memo that had been provided to the Committee. He noted that the building (corner of 10<sup>th</sup> and Willamette, Eugene) had been refinanced in 1993 with Lane County Revenue Bonds. Under the current repayment schedule, the final payment would be made in 2013. He reported that, since the debt was incurred, the building's value had increased from slightly more than \$2.1 million to approximately \$4 million. With approximately \$3 million in equity, he asserted that refinancing would be a good economic decision. He reported that another public agency was a likely tenant for the building's third floor and that such a circumstance would provide the opportunity for tax free financing and a lower interest rate to LCOG. In addition, he noted that under the law LCOG could only recover actual expenses from the S&DS occupancy of the building and that a refinance would bring such occupancy costs closer to market rental levels. Finally, Swank noted that the cash that could be realized to the agency's General Fund by refinancing the building would provide needed flexibility for matching grants and appropriate cash reserve for liquidity. The Committee discussed the proposition, as well as the status of the agency-owned building in Springfield. Regarding the latter, Kloeppel noted that it was not anticipated that the agency's S&DS staff would be sufficiently financed to reoccupy the Springfield building for at least two biennial legislative sessions, and that options for sale or lease of the property were being explored. The Committee discussed the property management issues raised. No decision was requested or made.

## **Information Items**

- S&DS Director Kay Metzger reported that a grant of \$2,552 had been received from the Western Lane Foundation. She thanked the Committee for its quick response to approve the application.
- Associate Director Bob Swank reported that staff was preparing a response to a request from the City of Roseburg for a project to develop a strategic information technology plan for the City. He noted that, through the Umpqua Regional Council of Governments (URCOG) GIS services were being provided to Roseburg. Swank's report prompted some discussion by the Committee regarding LCOG work outside of Lane County, and a summary report will be brought back to the Committee at a future meeting.

- It was noted that the City of Springfield had decided on March 6 to resign from participation in the Region 2050 project. Byron Vanderpool said that the implications of this action to the ongoing effort by the remaining nine cities and the County were being explored with the State. Commissioner Morrison observed that she was pleased by the City's decision and expected others to take similar action. Asked about the intentions of the City of Lowell, Mayor Weathers indicated a disposition to continue "at the table" in the hope of getting what his citizens want included within the plan. Mayor Williams indicated that the Council was divided on the value of the Region 2050 project.