

Agenda Item Number 6.

Comments from the Executive Director

Presenter: George Kloeppel

Action Recommended: None. Information Only

Background:

1. Board Meeting Schedule

I am truly sorry to be missing this special Saturday meeting of the Board. I am traveling today to a meeting of the National Association of Regional Councils and the association's Executive Directors Committee on which I serve. I would rather be in Florence than Chicago; but the commitment was made before the LCOG meeting date was changed. The hospitality of the Port of Siuslaw is appreciated, I know.

With the beginning of the new fiscal year in July, we will start our six-meeting-per-year schedule. On July 22, we will be in the Cottage Grove Community Center/Library for the Board's Planning Session. The Executive Committee has worked on the format and content of that session (See Report of Chair and Executive Committee, Item 4, on today's agenda), but it is proposed that the Board gather for dinner at 6:00 p.m. with the formal session beginning not later than 7:00. During the "dinner hour," it is proposed that Member Agency Reports (rounds) be given. The remaining two meetings of the calendar year are scheduled for September 23 in Dunes City and December 9 at the Bethel School District.

Regarding the September meeting, it is suggested that the Board meet on the 30th, rather than the 23rd, in order to avoid a conflict with the Western COGs Conference in San Diego. As announced last month, the latter meeting was rescheduled from July to September to avoid conflicting with state-wide

meetings in California and Oregon. Dunes City is comfortable with the one-week shift. Board approval to change the meeting date is recommended.

2. Western COGs Conference, San Diego, September 21-24

Another reminder that the “summer” conference of the regional councils in the western states will be held in September this year. Board members are encouraged to think about attending to represent LCOG at this event. As has been noted previously, the program and background information about the conference are available on the Internet at <<http://www.westerncog.org>> (excerpt pages attached). Those interested are asked to touch base with either Jerry or myself. LCOG will, of course, pay the expenses of Board members attending on our behalf.

3. New Health Insurance Approach

Agreement has been reached with the LCOG Employees Association (EA) finalizing a contract for the coming fiscal year. The portion of the staff represented by SEIU/OPEU (line staff in the S&DS Division) have another year to run on a three-year contract between LCOG and the Union and, hence, were not in negotiation this spring. The EA agreement will implement a new approach to health insurance. What is called a “Health Reimbursement Arrangement,” or HRA, will provide each employee with greater choice and control of his/her spending on healthcare. It couples a high deductible point-of-service policy (\$2,500 per year for employee-only coverage and \$4,000 for employee and dependent coverage) with an LCOG-funded account that can be used by the employee either to pay eligible medical expenses or to “roll over” to future years. The “roll over” feature is permitted by the tax code and adds to the attractiveness of the plan for insured employees. The HRA will provide employees with insulation to fill the gap created by the high deductible insurance and, significantly, will move the point of control to the individual consumer of medical services. The EA agreement provides for a cost-of-living salary adjustment of 2.5 percent. Under the existing agreement, a COLA of 2.0 percent will be applied to the salaries of SEIU-represented staff (the latter received a 2.4 percent COLA at the beginning of FY 2004, and the EA-represented staff received a 2.0 at the beginning of FY 2004). I will apply the COLA and the HRA provisions to the non-represented staff, effective July 1.