

Agenda Item Number 4.

Report of the Executive Committee

Presenter: George Kloeppe

Action Recommended: None. Information Only

Meeting Notes:

Meeting of October 20, 2005

The LCOG Executive Committee met on Thursday, October 20, at the LCOG office in Eugene. Members present for the meeting were LCOG Board Chair, Mayor Gary Williams, Mayor Warren Weathers and Director Alan Laisure. Staff members attending included Bob Swank, Byron Vanderpool, Ted Stevens, Kay Metzger, Jamon Kent, Ann Mortenson and George Kloeppe. The Committee considered:

December 2005 Board Agenda

The Committee reviewed the preliminary list of topics for consideration by the Board of Directors at the December meeting. Kloeppe announced that Eugene Assistant City Manager Jim Carlson had agreed to facilitate the discussion of local government finance. It was noted that the agenda was full, with action items including the acceptance of the Executive Committee's recommendations related to Board discussion topics for 2006, acceptance of the first quarter financial report, acceptance of the FY 2004-05 Financial Statements and Audit Report, election of officers for 2006, confirmation of Executive Committee appointments, and establishment of dues rates for FY 2006-07.

Board Meeting Date for December

Staff reported on the results of the poll of city representatives to the Board. It was noted that three members would be attending the National League of Cities meeting in North Carolina on the regular meeting date (December 8). It was

decided that the December meeting would be shifted to December 1. The host of that meeting will be the Bethel School District, and Alan Laisure assured the Committee that the date change would pose no problem for the district.

Board Discussion Topics for 2006

The topics identified in July as having regional significance and, therefore, appropriate for “special presentations” at Board meetings were considered. It was noted that the Committee had previously determined that “*local government finance—tax structure*” would be considered at the December 2005 meeting. It was agreed to prepare “*telecommunication—internet service to rural areas*” for consideration at the February 2006 meeting. “*Accommodating growth, buildable land and Region 2050*” was slated for consideration in June, 2006. The Committee discussed the merits of moving consideration of “*an on/off interchange at the I-5 crossing of the Willamette River*” from fall 2006 to April 2006. Staff was directed to inquire of the leadership in Eugene and Springfield regarding the best strategic timing for the Board’s treatment of this issue. If the interchange topic was to be held for treatment in the fall of the coming year, the Committee recommended scheduling a discussion of “*education and workforce development*” in April. The Committee made no specific assignment of “*the MetroPlan, intergovernmental relations,*” but considered the September Board meeting as a likely time for that subject.

FY 2006-07 Budget Assumptions and Process

Associate Director Bob Swank presented a “Proposed FY 2006-07 Budget Assumptions” document for the Committee’s consideration. He noted that the CPI for the prior year had been 3.1 percent and that health insurance costs to the agency were expected to rise approximately 10 percent in the coming year. However, the agency’s costs for OPERS contributions were expected to remain the same (12.87 percent of salary) as in the current year. It was recommended that the Assumptions set a 2 percent cost-of-living adjustment to salaries and an overall 3.0 percent total compensation increase. Other Assumptions were briefly discussed and approved. Swank also referenced the schedule for the preparation and ultimate adoption of the agency’s FY 2006-07 Budget. A document, “2006-2007 LCOG Budget Process,” was presented. Both the Assumptions and the Process documents were to be presented to the Board as information items at the December 1 meeting.

FY 2006-07 Member Dues Rates

George Kloepfel presented a recommendation regarding the Dues Rates, scheduled for approval by the Board in December. He urged that the current methodology for assessing member agencies be retained and that an inflation factor of 3.1 percent be applied to the rates in each of the five member categories. After some discussion, the Committee agreed, without motion, to recommend that the rates be recommended to the Board for approval as follows:

Lane County	\$0.248 per capita
Cities	0.448 per capita
Schools	0.112 per FTE student enrolled
Utilities	0.112 per service account
Spec. Districts	\$448

Oregon Project Independence Budget Amendment

S&DS Division Director, Ted Stevens, presented the recommendation of the Senior Services Advisory Council. The Oregon Legislature had appropriated \$12 million for Oregon Project Independence in the current biennium. That appropriation—approved after the adoption of the current LCOG Budget and the Area Plan, provides additional funding for LCOG’s OPI services. Accordingly, a Plan amendment (and ultimately an LCOG budget amendment) is necessary. It was moved by Mayor Weathers and seconded by Director Laisure that the recommended amendment, calling for a total expenditure of \$520,000 for OPI services in FY 2005-06, be approved. Motion carried.

HRA Health Insurance Plan, Experience after the First Year

Associate Director, Bob Swank, presented a report on the agency’s experience with the Health Reimbursement Arrangement (HRA) after its first full year of operation. The Plan provides health coverage for staff members represented by the Employees Association, as well as agency management staff and supervisory staff in the Senior & Disabled Services Division. (S&DS employees represented by SEIU for collective bargaining are not covered by the HRA Plan.) After describing the Plan, Swank noted that it has been a positive experience for both the agency and the covered employees. The total cost of insurance for the covered staff was reduced by over 10 percent from the prior “PPO” plan, with employees enjoying much of the savings. The experience of the first year—paid claim loss ratio—was low enough that future rates are expected to be lower. Swank reported

that, at the end of the year, more than half of the covered employees had more than \$1,000 remaining in their employer-funded accounts, and only 13 percent had expended the entire \$2,000 provided. The claim loss ratio experience and the structure of the Plan resulted in less than a 7 percent increase in health insurance cost for the current fiscal year. Swank predicted that the Plan will make it possible to continue to limit the annual increases in health insurance premiums.

S&DS Division Leadership

The Committee discussed Ted Stevens' previously announced plans for retirement at the end of January and George Kloepfel's appointment of Kay Metzger to assume the position of Director of Senior and Disabled Services.

Information Items

The Committee heard brief reports and discussed the following:

- Metro jurisdictions' "JEO" meeting, October 11, on Coburg wastewater issue. It was noted that all three jurisdictions have scheduled work sessions to consider the advisability of allowing treatment services for Coburg by MWMC.
- S&DS personnel cut-backs were outlined. Layoffs, necessitated by the Legislature's appropriation levels for senior and disabled services, will be effective October 31 for some and November 7 for others. Provisions for layoffs are set forth in the collective bargaining agreement and some employees have been able to exercise their "bumping" rights. In addition, several of the employees laid off have been re-hired as temporary staff to support the division's work around the implementation of Medicare Part D (prescription) coverage. Those temporary positions are likely to last six months. Ted Stevens outlined that substantial tasks associated with assisting Medicare recipients with enrollment and/or plan selection.
- The LCOG-sponsored meeting of October 18 related to emergency preparedness planning was described. Representatives of all twelve of Lane County's cities met with the Sheriff, County Emergency Manager and County Administrator to identify planning and coordination needs.
- The January 26 LCOG Appreciation Dinner was discussed. George Kloepfel urged Committee members to submit nominations for the agency's

annual awards. Several suggestions were offered regarding the principal speaker for the event.

- The 2005 Oregon Planning Institute in mid-September was discussed. OPI has been sponsored and facilitated for a number of years by LCOG. This year, the event, held at the University of Oregon, attracted over 400 participants; and it received very positive reviews from those attending.

Meeting of November 17, 2005

The LCOG Executive Committee met on Thursday, November 17, at the LCOG office in Eugene. Members present for the meeting were LCOG Board Chair, Mayor Gary Williams, Vice Chair, Commissioner Patrick Lanning, Mayor Warren Weathers, and Directors Alan Laisure and Greg James. Staff members attending included Bob Swank, Ted Stevens, Kay Metzger, Jamon Kent, Ann Mortenson and George Kloepfel. The Committee considered:

- The proposed agenda for the Board's December 1 meeting, noting particularly the "Special Presentation" scheduled to explore local government finance with facilitation from Eugene Assistant City Manager, Jim Carlson.
- The Board's 2006 Special Presentation or discussion topics; a refined schedule to be presented to the Board under item 7.D.
- The agency's First Quarter Financial Report, to be presented to the Board under agenda item 7.B.; the Committee accepted the Report.
- LCOG's FY 2004-05 Financial Statements & Audit Report; the Committee reviewed and discussed excerpts from the Statements, which are scheduled to come before the Board under agenda item 11.C.
- The LCOG role in metropolitan area transportation planning; the Committee noted that the Metropolitan Policy Committee, to which LCOG had delegated certain "MPO" responsibilities was dealing with a stalemate over the Transportation Improvement Program; options for fulfilling the MPO role were discussed.
- The January 26 LCOG Appreciation Dinner was discussed.

- The retirement of Ted Stevens on January 31 was noted; the reception honoring his long service to LCOG—January 30 at the Downtown Athletic Club—was discussed.
- The resignation of HR manager, Jim Walsh, was noted.
- A proposal from George Kloeppe to utilize a committee with Board members and senior staff to lay the groundwork for the July planning session was accepted; Board agenda item 11.D will seek approval for, and participation in, a planning process to establish a strategic direction for the Board's consideration.