

Executive Committee Meeting

DATE: Tuesday, December 8, 2020

TIME: 6:30 p.m.

LOCATION: Join the conference call: Dial-in Info:1-669-900-9128, Meeting ID: 939-8502-2318,

Pass Code: 752851

CONTACT: Brenda Wilson, 541-682-4283, bwilson@lcog.org

1. Agenda: December 8, 2020

Documents:

[EC_AGENDA_DEC.PDF](#)

2. Item 3: Draft Board Agenda January 2020

Documents:

[3 BD AGENDA DEC 2020.PDF](#)

3. Item 4 Memo: Member Dues

Documents:

[4 MEMO MEMBER DUES.PDF](#)

4. Item 4 Attachment 1: FY22 Dues Schedule

Documents:

[4 ATTACH FY22 DUES SCHEDULE - REVISED.PDF](#)

5. Item 5 Memo: Budget Assumptions

Documents:

[5 MEMO BUDGET ASSUM.PDF](#)

6. Item 5 Attachment: FY22 Budget Assumptions

Documents:

[5 ATTACH FY22 BUDGET ASSUMP.PDF](#)

7. Item 6 Memo: Executive Committee Appointments

Documents:

6 MEMO EXECUTIVE COMM APPOINT.PDF

8. Complete Packet

Documents:

COMPLETE PACKET.PDF



EXECUTIVE COMMITTEE MEETING AGENDA FOR DECEMBER

Date: Tuesday, December 8, 2020

Time: **6:30 p.m.** (*Note late start time to allow for Audit Committee meeting beforehand*)

Location: Join Zoom Meeting

<https://zoom.us/j/93985022318?pwd=YWVDdjdxUJoOXRPYkt4a0hqdHpiUT09>

Meeting ID: 939 8502 2318

Passcode: 752851

Contact: Brenda Wilson, (541) 682-4395

* Denotes Packet Attachment

Information Items

1. Discuss FY20 Audit Update
2. Quarterly Financial Statements (will be provided before the meeting)

Policy / Action Items

- 3.* Draft January Board Meeting Agenda - Approve
- 4.* FY22 LCOG Dues Rates - Recommend Adoption to Board
- 5.* FY22 Budget Assumptions - Recommend Adoption to Board
- 6.* Appointment of 5 Executive Committee members

Public Comment is limited to 3 minutes. The Board has the right to ask disruptive attendees to leave the meeting. The Board may choose not to respond to comments and lack of response does not indicate support or disagreement.

American Sign Language interpretation is available with 48 hours notice.

859 Willamette Street, Suite 500, Eugene, OR 97401 Phone (541) 682-4283. TTY (541) 682-4567. Fax (541) 682-4099



BOARD MEETING AGENDA

Date: Thursday, January 28, 2021

Time: 6:00 p.m.

Location: Virtual – Details TBD

* denotes packet attachment

6:00 Call to Order

Call Regular Meeting to Order

1. Welcome & Introductions
2. Requests for Additions to the Agenda *[to be considered under Business Items]*

Public Comment

3. Comments from the Public

Presentations

4. a.** FY20 Financial Statements, Isler CPA – Audit Report, **Accept**
** Hard copies will be available at the meeting

Business Items

5. Consent Agenda *[Board members may request an item be removed from the Consent Agenda to discuss separately under Item 6]*
 - a.* September 24, 2020 Minutes – Approve
 - b.* FY22 Member Dues – Adopt
 - c.* FY22 Budget Assumptions and Process – Adopt
6. Items Removed from Consent Agenda
- 7* Ratification and Election of Executive Committee members

Reports

8. a.* Executive Committee Report
b.* Advisory Council Reports

Wrap Up

9. Call for Future Agenda Items; Emerging Issues.

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December 8, 2020

To: Executive Committee
From: Brenda Wilson
Subject: FY22 Member Dues Rates

Action Recommended: Recommend FY22 Member Dues Rates to LCOG Board

Background:

At the end of each calendar year, the LCOG Board is asked to adopt new member rates for the next fiscal year. For all but Special Districts, the dues amount is calculated on population, enrollment numbers, or customer numbers. Then, as soon as certified population and school enrollment figures are in hand, those figures are used to generate the dues amounts.

Currently, the LCOG Member Dues structure has a \$500 minimum and provides:

- Representation on the LCOG Board of Directors.
- Subscription to the Regional Land Inventory Database, valued at \$850.
- 12 hours of LCOG professional staff time each fiscal year valued at approximately \$1,200. Note that this staff time does not include direct service contracts that LCOG has with our members.

For Special Districts, the Dues structure includes 2 levels of membership with a minimum \$500 base amount for Level 1 and a \$1,000 minimum base amount for Level 2. For level 2, members receive the items listed above; for Level 1, members received all but the 12 hours of staff time.

The base rates last year were: 0.23 for the County; 0.414 for cities; 0.113 for school districts and utilities. These rates were “re-set” in 2014 and eliminated the reduction that had been in place for several years. And while the new rates reflected an increase, most members’ dues amounts are now less than the amounts were before the revision.

I recommend keeping this structure and the base rates the same for FY22. Note that for all but Special Districts, the dues amount is calculated on population, enrollment numbers, or customer numbers and we will not have these updated numbers until after the beginning of the year. I have inserted the projected population numbers from Portland State for the County and the cities; for all others I have updated the Dues Schedule to include a 1% increase in the “population” numbers. Once we have the actual numbers, we will update the numbers and calculate the actual Dues amounts.

The total dues amount is estimated to be about \$234,000 – an increase of about \$6,000 over last year due to population changes, but again, will be adjusted accordingly once we have final numbers.

Recommended Action: Recommend Board Adopt the FY22 Member Dues Rates, keeping the base rates the same as last Fiscal Year.

Attachment: FY22 Dues Schedule

**FY22
LCOG MEMBER DUES
JULY 2021 - JUNE 2022**

JURISDICTION	FY21 MEMBER DUES RATES				PROPOSED FY22 MEMBER DUES RATES			
	20-21 BASE*	20-21 RATE	20-21 Dues - Level 1	20-21 Dues - Level 2	21 - 22 BASE*	21 - 22 RATE	21 - 22 Dues - Level 1	21 - 22 Dues - Level 2
Lane County	378,871	0.23		\$ 87,140	381,365	0.23		\$ 87,714
Cities								
Eugene	171,392	0.4		\$ 70,956	173,620	0.4		\$ 71,879
Springfield	61,262	0.4		\$ 25,362	61,535	0.4		\$ 25,475
Cottage Grove	10,020	0.4		\$ 4,148	10,155	0.4		\$ 4,204
Florence	8,832	0.4		\$ 3,656	8,925	0.4		\$ 3,695
Junction City	6,136	0.4		\$ 2,540	6,200	0.4		\$ 2,567
Creswell	5,464	0.4		\$ 2,262	5,585	0.4		\$ 2,312
Veneta	4,833	0.4		\$ 2,001	4,845	0.4		\$ 2,006
Oakridge	3,313	0.4		\$ 1,372	3,310	0.4		\$ 1,370
Dunes City	1,338	0.4		\$ 554	1,365	0.4	\$ 500	\$ 1,000
Coburg	1,096	0.4	\$ 500	\$ 1,000	1,375	0.4	\$ 500	\$ 1,000
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School Districts								
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McKenzie	201	0.1	\$ 500	\$ 1,000	199	0.1	\$ 500	\$ 1,000
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Special Districts								
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Lane ESD			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Western Lane Amb			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Willamalane			\$ 500	\$ 1,000			\$ 500	\$ 1,000
River Road Park Dist			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Fern Ridge Library Dist			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Siulaw Valley F&R			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Lane Library Dist			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Siuslaw Library Dist			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Junction City RFPD			\$ 500	\$ 1,000			\$ 500	\$ 1,000
Rainbow Water Dist			\$ 500	\$ 1,000			\$ 500	\$ 1,000

TOTAL

9,500 237,438

10,500 239,568
Expect 234,318



December 8, 2020

To: Executive Committee

From: Brenda Wilson

Subject: FY22 Budget Assumptions and Process

Action Recommended: Recommend Adoption of Assumptions and Process to Board.

Background:

Under this item, the Committee is asked to review the proposed Assumptions that, when approved by the Board, will guide the development of the agency's budget for FY22. The Assumptions have been prepared by management based on information currently known.

The Committee will also be asked to review the proposed Budget Process and make a recommendation to the Board.

Recommended Action: Recommend Board Adopt the FY22 Budget Assumptions and Process.

Attachments: FY22 Budget Assumptions

**LANE COUNCIL OF GOVERNMENTS
FY22 BUDGET ASSUMPTIONS**

OVERALL GUIDING PRINCIPLES FOR THE FY22 BUDGET

- LCOG will continue to stabilize the General Fund.
- LCOG will continue to build reserves that are consistent with reserve policies adopted by the Board.
- LCOG will continue to stabilize Indirect rates, while making sure the rates accurately reflect actual internal costs and are in line with *OMB Circular A87*.
- To the maximum extent possible, all direct programs and contracts will be self-supporting. LCOG General Fund dollars will only be used to support programs and contracts when required as match or to provide temporary support to a program or to support a strategic initiative that has received prior approval from the Executive Director.
- LCOG will continue to balance its budget and will continue to ensure a stable budget, consistent with Board adopted policies.

FY22 BUDGET ASSUMPTIONS – as of 11/2020

1. Member Dues:

LCOG has a two-tier Member Dues structure: Level One has a minimum \$500 Member Dues amount; Level Two a \$1,000 Member Dues amount and provides the member with 12 hours of staff time. Dues are calculated on a base rate. The current base rates are: 0.23 for the County; 0.414 for cities; 0.113 for school districts and utilities. The annual dues amount is calculated using population, enrollment, and service customers, as applicable. Special Districts are either \$500 or \$1,000, depending on Level chosen. The total dues amount is estimated to be about \$234,000 – an increase of about \$6,000 over last year due to population changes, but will be adjusted accordingly once we have final numbers.

I recommend we keep the FY22 base rates and structure the same because the new dues structure is serving LCOG's members well and there is so much uncertainty right now. The rates will be presented to the Board for final approval at the final Board meeting of 2020.

2. Employee Compensation:

The current Employees Association (EA) contract expires on December 31, 2020. The last two contracts provided for a salary increase on July 1 of each year based on the five-year average CPI-U, which was 2.0% last year. We expect the same provision and will budget based on that expectation and an expected 5-year average of a 1.79% COLA. We are currently in bargaining, however, so this may change.

**LANE COUNCIL OF GOVERNMENTS
FY22 BUDGET ASSUMPTIONS**

The current SEIU contract expires on June 30, 2022, provides for a salary increase on July 1, 2021, based on the five-year average CPI-U, with a 2.0% minimum and a 3.10 maximum. Based on CPI-U assumptions, we will build the budget on a 2.04% COLA.

LCOG will complete a Salary Survey for SEIU employees no later than December 31, 2021, per the current Collective Bargaining Agreement. Salaries will be adjusted per the results of the survey. Salaries will be adjusted per the results of the survey in the second half of FY22. Any increase will be used to build the FY23 budget. If the EA contract requires a Salary Survey, we will include those increases in the budget; however, the last Salary Survey did not result in any increases.

In FY22, merit increases are expected to increase total compensation for LCOG employees. Employees are eligible for 3.5% annual merit increases; however, about a quarter of LCOG employees will be at the top step of their salary range, which means that they will not be eligible for merit increases. Employees who are in the SEIU will receive a \$500 one-time bonus; EA at the top step of their salary range currently receive an annual top step bonus of \$350. We will build the budget assuming a \$500 top step bonus for those eligible.

The Executive Director's compensation is set by the LCOG Board under a contract. The current contract expires June 30, 2021 and will be re-evaluated in the spring of 2021. The FY22 budget will be built based on the contract provisions in the current contract.

3. PERS:

PERS has issued the 2021-23 rates, which we expect will be adopted by the PERS Board and will become effective July 1, 2021, and are as follows:

- Tier 1 / Tier 2: 25.40% or a 0.08% decrease from 25.48%.
- OPSRP: 20.78% or a 2.01.% increase up from 18.77%.

1. Health Insurance:

A joint labor-management insurance committee was established to identify health insurance options for the agency and to make recommendations to the Executive Director. Last year, the committee recommended that LCOG change our current Regence plan for calendar year 2021 to a different high-deductible plan that has lower annual deductibles and higher out-of-pocket maximums, but that are not embedded. We will continue to provide Kaiser Permanente as a second option for employees.

The Regence plan provides an employer-paid contribution into a Health Reimbursement Account (HRA) at \$141.67 per month for employee-only coverage, and \$200 per month for employee-plus coverage. The Kaiser plan does not include

**LANE COUNCIL OF GOVERNMENTS
FY22 BUDGET ASSUMPTIONS**

an HRA. After Open Enrollment, only 19 employees are currently signed up for Kaiser.

We expect health Insurance premiums to increase by about 5.4% for Regence and 3.4% for Kaiser on January 1, 2021. The cost of health care for the second half of FY22 is currently unknown. For this reason, we will estimate the costs for the second half of FY22 at an increase of 4% to 6%. Should health insurance costs increase beyond what is assumed, LCOG will present the increase as part of its Revised FY22 Budget for Board approval in the spring of 2021. Both EA and SEIU Employees pay 5.0% cost-share for health insurance premiums.

We expect dental insurance premiums will increase for Willamette on January 1, 2021 by 2%; and no increase for Met Life

2. Other Insurance:

General Liability Insurance: For FY22, we expect premiums to increase by 5% to 7%. These increases are based on employment practices and auto liability claims. The higher deductible plan we switched to two years ago saves us on the premium.

Property Liability Insurance: For FY22, we expect premiums to increase by 20% to 22% based on standard commercial markets and national disaster claims (pandemic, fires, and hurricanes).

Workers' Compensation Insurance: We will not know our FY22 rates until spring of 2021, but our carrier expects a 5% increase.

Life and Long-Term Disability rates are expected to remain the same as in FY21.

3. Contingency Accounts:

Operations Contingency Account: Board policy requires the Operations Contingency Account to be funded at a level reflecting one quarterly mortgage payment and two month's salary.* For FY21 these amounts were \$194,631 and \$79,146, respectively, totaling \$273,777. While we will not know the total amount for FY22 until we build the Proposed Budget, I recommend we fund the Account at the amount the policy formula requires.

*The two month's salary is of non-federal, non-state, and non-grant supported personnel.

Capital Contingency Account: While there is no funding level requirement for this Account, all excess revenues from the Park Place Building have been placed in this Account. I recommend that practice continue. Currently, there is \$675,500 in the Capital Contingency Account.

**LANE COUNCIL OF GOVERNMENTS
FY22 BUDGET ASSUMPTIONS**

4. Equipment and Training:

LCOG will provide effective workspace, equipment and training to enable employees to be productive and effective, especially since we expect the majority of our employees to continue to work remotely.

5. Government Services:

We will continue to stabilize our billing rates, making sure our rates cover our costs and keep us competitive and affordable. We will also continue to ensure our billing invoices are transparent and standardized.

6. Senior and Disability Services:

Following long term emergencies and system changes at the State level, LCOG will continue to find efficiencies in Senior and Disability Services (S&DS) to address the large workload while continuing to provide services at levels required and expected.

S&DS has two primary sources of funding. First, as a Type B Transfer agency, S&DS has a contract with Oregon's Department of Human Services to provide Medicaid and Food Stamp services to seniors and people with disabilities in Lane County. Second, as an Area Agency on Aging, S&DS receives funding through the Older Americans Act (OAA).

In FY20, S&DS transitioned through the Covid-19 Pandemic and Holiday Farms wildfire emergencies, to ensure emergent safety needs were met for consumers and community members. This additional staff time and investment will also likely be reflected in significant Statewide budget impacts through the fiscal year and coming out of FY21.

In the 2020 Legislative Session, additional funding for staffing across the state was provided. As a result, we were able to increase staffing levels in FY21. However, as a result of the FY20 & FY21 emergencies, the long-term budgetary impacts of broad emergency management actions will not be clear until Spring, 2021. We expect (hope) that proposed or anticipated funding reductions at the State level are mitigated by a strong carry-forward in S&DS budgets and Federal investment in emergency recovery efforts.

Given the uncertainty, we will budget FY22 with only a slight increase reflecting the funds we will receive in FY21. Should the allocation change significantly, we will adjust accordingly.

7. Enterprise Services:

We will continue to strategize how to grow the Business Loan Program into a more sustainable program; we will continue to stabilize our Minutes Recorder Program

**LANE COUNCIL OF GOVERNMENTS
FY22 BUDGET ASSUMPTIONS**

billing rates, making sure our rates cover our costs and keep us affordable; and we will continue to market and grow the Local Government Personal Services Program into a sustainable and valuable service.

We will include an updated maintenance and preservation schedule for the Park Place Building in the FY22 budget, given the elevator upgrade was less than expected.



December 8, 2020

To: Executive Committee

From: Brenda Wilson, Executive Director

Subject: Appointment of Executive Committee Members

Action Recommended: Recommend Board Ratify Members

Background:

The LCOG Bylaws call for the incoming Chair to appoint up to five Board Members to the Executive Committee to be ratified by the Board. The Board is also responsible for electing two additional members. The LCOG Charter requires a coastal representative.

Recommended Action:

Recommend the LCOG Board ratify the LCOG Board members representing the above jurisdictions as Executive Committee members for 2021.



EXECUTIVE COMMITTEE MEETING AGENDA FOR DECEMBER

Date: Tuesday, December 8, 2020

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Meeting ID: 939 8502 2318

Passcode: 752851

Contact: Brenda Wilson, (541) 682-4395

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Information Items

1. Discuss FY20 Audit Update
2. Quarterly Financial Statements (will be provided before the meeting)

Policy / Action Items

- 3.* Draft January Board Meeting Agenda - Approve
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- 5.* FY22 Budget Assumptions - Recommend Adoption to Board
- 6.* Appointment of 5 Executive Committee members

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BOARD MEETING AGENDA

Date: Thursday, January 28, 2021

Time: 6:00 p.m.

Location: Virtual – Details TBD

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6:00 Call to Order

Call Regular Meeting to Order

1. Welcome & Introductions
2. Requests for Additions to the Agenda [*to be considered under Business Items*]

Public Comment

3. Comments from the Public

Presentations

4. a.** FY20 Financial Statements, Isler CPA – Audit Report, **Accept**
** Hard copies will be available at the meeting

Business Items

5. Consent Agenda [*Board members may request an item be removed from the Consent Agenda to discuss separately under Item 6*]
 - a.* September 24, 2020 Minutes – Approve
 - b.* FY22 Member Dues – Adopt
 - c.* FY22 Budget Assumptions and Process – Adopt
6. Items Removed from Consent Agenda
- 7* Ratification and Election of Executive Committee members

Reports

8. a.* Executive Committee Report
b.* Advisory Council Reports

Wrap Up

9. Call for Future Agenda Items; Emerging Issues.

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December 8, 2020

To: Executive Committee
From: Brenda Wilson
Subject: FY22 Member Dues Rates

Action Recommended: Recommend FY22 Member Dues Rates to LCOG Board

Background:

At the end of each calendar year, the LCOG Board is asked to adopt new member rates for the next fiscal year. For all but Special Districts, the dues amount is calculated on population, enrollment numbers, or customer numbers. Then, as soon as certified population and school enrollment figures are in hand, those figures are used to generate the dues amounts.

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I recommend keeping this structure and the base rates the same for FY22. Note that for all but Special Districts, the dues amount is calculated on population, enrollment numbers, or customer numbers and we will not have these updated numbers until after the beginning of the year. I have inserted the projected population numbers from Portland State for the County and the cities; for all others I have updated the Dues Schedule to include a 1% increase in the “population” numbers. Once we have the actual numbers, we will update the numbers and calculate the actual Dues amounts.

The total dues amount is estimated to be about \$234,000 – an increase of about \$6,000 over last year due to population changes, but again, will be adjusted accordingly once we have final numbers.

Recommended Action: Recommend Board Adopt the FY22 Member Dues Rates, keeping the base rates the same as last Fiscal Year.

Attachment: FY22 Dues Schedule

**FY22
LCOG MEMBER DUES
JULY 2021 - JUNE 2022**

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December 8, 2020

To: Executive Committee

From: Brenda Wilson

Subject: FY22 Budget Assumptions and Process

Action Recommended: Recommend Adoption of Assumptions and Process to Board.

Background:

Under this item, the Committee is asked to review the proposed Assumptions that, when approved by the Board, will guide the development of the agency's budget for FY22. The Assumptions have been prepared by management based on information currently known.

The Committee will also be asked to review the proposed Budget Process and make a recommendation to the Board.

Recommended Action: Recommend Board Adopt the FY22 Budget Assumptions and Process.

Attachments: FY22 Budget Assumptions

**LANE COUNCIL OF GOVERNMENTS
FY22 BUDGET ASSUMPTIONS**

OVERALL GUIDING PRINCIPLES FOR THE FY22 BUDGET

- LCOG will continue to stabilize the General Fund.
- LCOG will continue to build reserves that are consistent with reserve policies adopted by the Board.
- LCOG will continue to stabilize Indirect rates, while making sure the rates accurately reflect actual internal costs and are in line with *OMB Circular A87*.
- To the maximum extent possible, all direct programs and contracts will be self-supporting. LCOG General Fund dollars will only be used to support programs and contracts when required as match or to provide temporary support to a program or to support a strategic initiative that has received prior approval from the Executive Director.
- LCOG will continue to balance its budget and will continue to ensure a stable budget, consistent with Board adopted policies.

FY22 BUDGET ASSUMPTIONS – as of 11/2020

1. Member Dues:

LCOG has a two-tier Member Dues structure: Level One has a minimum \$500 Member Dues amount; Level Two a \$1,000 Member Dues amount and provides the member with 12 hours of staff time. Dues are calculated on a base rate. The current base rates are: 0.23 for the County; 0.414 for cities; 0.113 for school districts and utilities. The annual dues amount is calculated using population, enrollment, and service customers, as applicable. Special Districts are either \$500 or \$1,000, depending on Level chosen. The total dues amount is estimated to be about \$234,000 – an increase of about \$6,000 over last year due to population changes, but will be adjusted accordingly once we have final numbers.

I recommend we keep the FY22 base rates and structure the same because the new dues structure is serving LCOG’s members well and there is so much uncertainty right now. The rates will be presented to the Board for final approval at the final Board meeting of 2020.

2. Employee Compensation:

The current Employees Association (EA) contract expires on December 31, 2020. The last two contracts provided for a salary increase on July 1 of each year based on the five-year average CPI-U, which was 2.0% last year. We expect the same provision and will budget based on that expectation and an expected 5-year average of a 1.79% COLA. We are currently in bargaining, however, so this may change.

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The current SEIU contract expires on June 30, 2022, provides for a salary increase on July 1, 2021, based on the five-year average CPI-U, with a 2.0% minimum and a 3.10 maximum. Based on CPI-U assumptions, we will build the budget on a 2.04% COLA.

LCOG will complete a Salary Survey for SEIU employees no later than December 31, 2021, per the current Collective Bargaining Agreement. Salaries will be adjusted per the results of the survey. Salaries will be adjusted per the results of the survey in the second half of FY22. Any increase will be used to build the FY23 budget. If the EA contract requires a Salary Survey, we will include those increases in the budget; however, the last Salary Survey did not result in any increases.

In FY22, merit increases are expected to increase total compensation for LCOG employees. Employees are eligible for 3.5% annual merit increases; however, about a quarter of LCOG employees will be at the top step of their salary range, which means that they will not be eligible for merit increases. Employees who are in the SEIU will receive a \$500 one-time bonus; EA at the top step of their salary range currently receive an annual top step bonus of \$350. We will build the budget assuming a \$500 top step bonus for those eligible.

The Executive Director's compensation is set by the LCOG Board under a contract. The current contract expires June 30, 2021 and will be re-evaluated in the spring of 2021. The FY22 budget will be built based on the contract provisions in the current contract.

3. PERS:

PERS has issued the 2021-23 rates, which we expect will be adopted by the PERS Board and will become effective July 1, 2021, and are as follows:

- Tier 1 / Tier 2: 25.40% or a 0.08% decrease from 25.48%.
- OPSRP: 20.78% or a 2.01.% increase up from 18.77%.

1. Health Insurance:

A joint labor-management insurance committee was established to identify health insurance options for the agency and to make recommendations to the Executive Director. Last year, the committee recommended that LCOG change our current Regence plan for calendar year 2021 to a different high-deductible plan that has lower annual deductibles and higher out-of-pocket maximums, but that are not embedded. We will continue to provide Kaiser Permanente as a second option for employees.

The Regence plan provides an employer-paid contribution into a Health Reimbursement Account (HRA) at \$141.67 per month for employee-only coverage, and \$200 per month for employee-plus coverage. The Kaiser plan does not include

**LANE COUNCIL OF GOVERNMENTS
FY22 BUDGET ASSUMPTIONS**

an HRA. After Open Enrollment, only 19 employees are currently signed up for Kaiser.

We expect health Insurance premiums to increase by about 5.4% for Regence and 3.4% for Kaiser on January 1, 2021. The cost of health care for the second half of FY22 is currently unknown. For this reason, we will estimate the costs for the second half of FY22 at an increase of 4% to 6%. Should health insurance costs increase beyond what is assumed, LCOG will present the increase as part of its Revised FY22 Budget for Board approval in the spring of 2021. Both EA and SEIU Employees pay 5.0% cost-share for health insurance premiums.

We expect dental insurance premiums will increase for Willamette on January 1, 2021 by 2%; and no increase for Met Life

2. Other Insurance:

General Liability Insurance: For FY22, we expect premiums to increase by 5% to 7%. These increases are based on employment practices and auto liability claims. The higher deductible plan we switched to two years ago saves us on the premium.

Property Liability Insurance: For FY22, we expect premiums to increase by 20% to 22% based on standard commercial markets and national disaster claims (pandemic, fires, and hurricanes).

Workers' Compensation Insurance: We will not know our FY22 rates until spring of 2021, but our carrier expects a 5% increase.

Life and Long-Term Disability rates are expected to remain the same as in FY21.

3. Contingency Accounts:

Operations Contingency Account: Board policy requires the Operations Contingency Account to be funded at a level reflecting one quarterly mortgage payment and two month's salary.* For FY21 these amounts were \$194,631 and \$79,146, respectively, totaling \$273,777. While we will not know the total amount for FY22 until we build the Proposed Budget, I recommend we fund the Account at the amount the policy formula requires.

*The two month's salary is of non-federal, non-state, and non-grant supported personnel.

Capital Contingency Account: While there is no funding level requirement for this Account, all excess revenues from the Park Place Building have been placed in this Account. I recommend that practice continue. Currently, there is \$675,500 in the Capital Contingency Account.

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FY22 BUDGET ASSUMPTIONS**

4. Equipment and Training:

LCOG will provide effective workspace, equipment and training to enable employees to be productive and effective, especially since we expect the majority of our employees to continue to work remotely.

5. Government Services:

We will continue to stabilize our billing rates, making sure our rates cover our costs and keep us competitive and affordable. We will also continue to ensure our billing invoices are transparent and standardized.

6. Senior and Disability Services:

Following long term emergencies and system changes at the State level, LCOG will continue to find efficiencies in Senior and Disability Services (S&DS) to address the large workload while continuing to provide services at levels required and expected.

S&DS has two primary sources of funding. First, as a Type B Transfer agency, S&DS has a contract with Oregon's Department of Human Services to provide Medicaid and Food Stamp services to seniors and people with disabilities in Lane County. Second, as an Area Agency on Aging, S&DS receives funding through the Older Americans Act (OAA).

In FY20, S&DS transitioned through the Covid-19 Pandemic and Holiday Farms wildfire emergencies, to ensure emergent safety needs were met for consumers and community members. This additional staff time and investment will also likely be reflected in significant Statewide budget impacts through the fiscal year and coming out of FY21.

In the 2020 Legislative Session, additional funding for staffing across the state was provided. As a result, we were able to increase staffing levels in FY21. However, as a result of the FY20 & FY21 emergencies, the long-term budgetary impacts of broad emergency management actions will not be clear until Spring, 2021. We expect (hope) that proposed or anticipated funding reductions at the State level are mitigated by a strong carry-forward in S&DS budgets and Federal investment in emergency recovery efforts.

Given the uncertainty, we will budget FY22 with only a slight increase reflecting the funds we will receive in FY21. Should the allocation change significantly, we will adjust accordingly.

7. Enterprise Services:

We will continue to strategize how to grow the Business Loan Program into a more sustainable program; we will continue to stabilize our Minutes Recorder Program

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billing rates, making sure our rates cover our costs and keep us affordable; and we will continue to market and grow the Local Government Personal Services Program into a sustainable and valuable service.

We will include an updated maintenance and preservation schedule for the Park Place Building in the FY22 budget, given the elevator upgrade was less than expected.



December 8, 2020

To: Executive Committee

From: Brenda Wilson, Executive Director

Subject: Appointment of Executive Committee Members

Action Recommended: Recommend Board Ratify Members

Background:

The LCOG Bylaws call for the incoming Chair to appoint up to five Board Members to the Executive Committee to be ratified by the Board. The Board is also responsible for electing two additional members. The LCOG Charter requires a coastal representative.

Recommended Action:

Recommend the LCOG Board ratify the LCOG Board members representing the above jurisdictions as Executive Committee members for 2021.