

**MINUTES**  
LANE REGIONAL AIR PROTECTION AGENCY  
BUDGET COMMITTEE MEETING  
THURSDAY APRIL 13, 2023  
MEETING VIA ZOOM / SPRINGFIELD CITY HALL

ATTENDANCE

Present: Steve Schmunk, Chair; Ruth Linoz, Vice Chair; Bryan Cutchen; Mike Fleck; Robert Ball; Joe Pishioneri; Paul Metzler; Dawn Kinyon; Howard Saxion; Jeannine Parisi; Matt Keating; David Loveall; Lisa Arkin; Susannah Sbragia; Steve Dietrich.

Absent: Adam Rue.

**1. Call to Order**

**Chair Schmunk** called the meeting of the Lane Regional Air Protection Agency (LRAPA) Budget Committee to order at 11:03 AM.

**ACTION ITEM:**

**2. Approval of Budget Minutes from March 09, 2023**

**MOTION: Mr. Pishioneri** moved, and **Mr. Fleck** seconded to approve the March 09, 2023, meeting minutes as presented. The motion passed unanimously.

**REPORTS**

**3. Brief Overview of Updates to the Proposed Budget Document**

**Ms. Sbragia** stated that there were updates made to the proposed FY 2024 budget, which included the following:

- The formatting of the budget was modified for ease of understanding.
- Local partner dues were changed from \$195,011.11 to \$201,550.00 to reflect an approved three percent increase.

**DISCUSSION:**

**4. Q & A – Discussion of Proposed FY 2023 / 2024 Budget Document**

**Mr. Saxion** asked if a projection of expenditures and revenues had been created for FY 2023.

**Ms. Sbragia** replied that those figures had not been determined yet. The proposed amounts were created by the former Director of Finance, **Julie Lindsey** in December 2023. **Ms. Sbragia** stated that she would determine those numbers soon.

**Vice Chair Linoz** stated that policy allows for three to six months of reserves, yet on page 17 of the proposed FY 2024 budget, there were nine months of reserves listed. She asked why the agency was holding on to nine months of reserves when there was much concern within the agency to increase employee pay and benefits which could ultimately attract new employees and offset the workload.

**Ms. Sbragia** replied that regarding the FY 2024 budget, her goal was to get the five-year projections figured out. She needed to go through historical data to determine how LRAPA survived the 2008 financial crisis and determine the effects that COVID had on the agency in preparation of the financial crisis that experts were predicting. She came up with a safe reserve that would prevent LRAPA from being in crisis if an economic crash occurred. The reserves could be used for increased staffing, employee pay, and benefits if those predictions were wrong.

**Ms. Parisi** acknowledged the thorough follow-up made by **Ms. Sbragia** in response to all the budget questions from committee members during the March 2023 meeting. She also acknowledged the vast amount of work she performed to get up to speed as a new employee who was hired in March 2023. She then stated that AirMetrics revenues went up and expenditures went down, and asked **Ms. Sbragia** to explain the relationship between those expenditures and revenues, and if there was any money allocated if the board decided to do something additional to improve the enterprise funds' market viabilities, i.e., marketing, patenting, and hiring consultants.

**Ms. Sbragia** stated that **Mr. Cardenas** planned to regain some of the lost AirMetrics revenue caused by the COVID pandemic with marketing initiatives. She added that the new AirMetrics webpage was up and running so marketing initiatives would direct people to that page. Unfortunately, **Mr. Cardenas** was not present during this meeting, so he could not elaborate on that.

**Mr. Fleck** stated that there was not a balance sheet for AirMetrics included in the FY 2024 budget, but he assumed that there was an excess of inventory on hand, which would explain the decrease in expenditure and potential increase in revenue.

**Ms. Sbragia** agreed that would make sense because sales were down during the COVID pandemic. She noted that she had toured the AirMetrics building recently and saw a descent amount of inventory.

**Ms. Parisi** stated that there was a line item for \$15,000.00 for consultants and research and development (R and D) so she presumed there was money allocated to improve market viabilities. She added that she was trying to get clarification on what the intention was regarding that.

**Ms. Sbragia** stated that she believed his plan was to increase the marketing reach of AirMetrics, but unfortunately **Mr. Dietrich** and herself did not know all the details of what his plan entailed.

**Mr. Dietrich** stated proactive steps were taken to build up the inventory of specific parts during COVID because there were supply chain issues and delays in shipping during that time.

**Chair Schmunk** asked if it was a board decision to approve investments in R and D and marketing.

**Mr. Fleck** confirmed it was a board decision.

**Ms. Arkin** suggests making a formal request to AirMetrics staff for a mid-year report to gain a better understanding of marketing initiatives and analytical results from dollars spent. She acknowledged her support of the program but said a little reassurance mid-year would be helpful.

**Ms. Parisi** stated that the LRAPA board would have a dashboard report in May 2023. She was hopeful that more clarification regarding marketing initiatives for AirMetrics could be obtained at that time.

**Mr. Dietrich** clarified that the dashboard reports were done in October and April each year and confirmed that AirMetrics was part of that report.

**Mr. Metzler** asked if having nine months of reserves was comparable to other agencies.

**Ms. Sbragia** replied that it would be dependent on the fiscal policies of other agencies and economic factors. She added that the number of months for LRAPA reserves were determined by FY 2023 expenditures, and that the number of months would not necessarily be true in the long run because there would be different expenditures for FY 2024.

**Mr. Fleck** noted that the LRAPA budget was smaller than a lot of other agencies and said he wanted to make sure the committee was looking at the long-term fiscal trends.

**Mr. Saxion** stated that he presumed the reserves were somewhat of a rolling average, and when the agency received funds, i.e., Title V, the amount could vary quite a bit.

**Ms. Sbragia** stated that she did not fully understand the trends yet, but that she would get there soon.

**Vice Chair Linoz** stated that it was interesting to her that 6 months of revenue which was invoiced from the previous year was allowed to be captured back into the FY 2024 budget, which basically meant that LRAPA could be six months into FY 2024 budget and revenues gathered at that point would be attributed to the previous year.

**Ms. Sbragia** asked if **Vice Chair Linoz** was referring to billing for Title V.

**Vice Chair Linoz** replied she believed so, but she could not find the section she was referring to at that time.

**Ms. Sbragia** stated that she did not understand what **Vice Chair Linoz** was referring to.

**Mr. Dietrich** suggested that when **Vice Chair Linoz** finds the section she was referring to, she should email the information to **Ms. Sbragia** and himself for clarification. He noted that when LRAPA billed Title V facilities in August, invoice amounts were based on emissions from the previous calendar year, which ends in December of the previous year. Those facilities had 30 to 45 days to pay LRAPA. Additionally, some of the money that comes from the Environmental Protection Agency (EPA) is on their own federal fiscal year, which begins October 1st. LRAPA receives those monies several months later.

**Mr. Keating** inquired about how the formula was determined for annual municipal partner dues. He noted two municipalities' dues had decreased while others, including the City of Eugene, had increased.

**Mr. Fleck** replied that at the January 2023 board meeting, a long discussion took place regarding dues. At that meeting, **Mr. Pishioneri** proposed the adjustment **Mr. Keating** was referring to, but in that process, **Mr. Fleck** wanted to ensure The City of Cottage Grove was in parity with their per capita rate, which was why the dues for the Cities of Cottage Grove and Oakridge went down. The Cities of Cottage Grove and Oakridge did not reduce LRAPA fees during a time when all other partners did. The City of Oakridge had been paying their full freight based on a 0.97 cents per capita rate, and had been paying that all along, even though the Cities of Eugene and Springfield, and Lane County all reduced their contributions by about half.

**Mr. Pishioneri** said regarding reserves, the City of Springfield does not measure their reserves in months. Instead, they typically aim to keep 20 percent of their budget in reserves. Junction keeps a minimum of five percent and a maximum of 15 percent of their budget in reserves. Those cities vary

in size and LRAPA is even smaller than those cities. He added that Junction City's budget was like LRAPA's in that they have a 15 percent goal, but that was not based on time. The amount of time was irrelevant.

**Ms. Sbragia** stated that when she submits a proposal to the board, it will entail the life of LRAPA grants, the amounts of time between grants, how that affects staffing, etc.

**Mr. Saxion** stated that when you take out AirMetrics, it equals roughly a third of the reserve, and he did not think AirMetrics should be counted as part of LRAPA's general fund reserve.

**Ms. Sbragia** stated that 9 months was determined from a combination of all the funds. She stated that she was okay to change the format.

**Mr. Saxion** stated that AirMetrics was an enterprise fund, not a day-to-day operating fund and therefore it should be separate.

**Ms. Sbragia** agreed and said she would make that change and clearly identify the reserve for each fund.

**Mr. Pishioneri** stated the League of Oregon Cities says that you should go with a percentage of your total operating expenses.

**Vice Chair Linoz** stated that she found the section she was referring to earlier in the meeting, under Budget Basic Descriptions, on page 14, which stated that LRAPA considers all revenues available if they were collected within 180 days. She noted that expenditures were recorded when the related fund liability was incurred. She asked for clarification regarding applying for funds or invoicing for funds and allowing a wide window for the collection of funds.

**Ms. Sbragia** stated the budget could reflect a mistake because according to audit rules, the deadline for incoming revenue was August 31st.

**Mr. Fleck** stated that the exception to that rule would be the revenue could go into a receivable which ends up as a liability that you can post, but still would not be collected in that year.

**Ms. Sbragia** stated perhaps that was what **Ms. Lindsey** was doing during her time as the Director of Finance for LRAPA. She noted that when she built the budget, it was based on what LRAPA was going to collect from fees that were due, not counting the fees that were late.

**Vice Chair Linoz** asked if the 180 days was potentially to capture the late fees and other amounts related to that budget year.

**Mr. Fleck** said if fees came in past the 180-day window, they would end up going in the ending fund balance.

**Vice Chair Linoz** asked how revenues and expenditures were identified.

**Ms. Sbragia** stated that she would do some research to clarify the answer to that question.

#### **ACTION ITEMS:**

#### **5. Public Hearing for Approval of the Proposed FY 2024 Budget**

**Chair Schmunk** opened the public hearing for approval of the proposed FY 2024 LRAPA budget at 11:37 AM. Notice of this hearing was published in the Register Guard on March 31, 2023, in accordance with the Oregon Budget Law. No members of the public were present. He then closed the public hearing.

#### **6. Approval of Budget Document, Forward to Board for Public Hearing and Adoption**

**MOTION: Mr. Pishioneri** moved, and **Ms. Linoz** seconded to approve the LRAPA FY 2023-2024 budget as presented and forward it to the LRAPA Board of Directors for their review, a public hearing, and adoption. This budget authorized the necessary expenditures to carry out the agency's programs and services for the upcoming fiscal year and represented a responsible and balanced plan for achieving agency goals while meeting agency financial obligations. The motion passed unanimously.

#### **7. Adjournment of Budget Committee Meeting**

**Chair Schmunk** adjourned the meeting at 11:45 AM.

*(Minutes recorded by Diana Pamir Tisdale)*