



LRAPA BOARD OF DIRECTORS AGENDA ITEM SUMMARY

FY24 Local Partner Dues

Meeting Date: November 10, 2022
Department: Director's Office
www.lrapa.org

Agenda Item No. 9
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ISSUE STATEMENT AND SUMMARY

Per the Intergovernmental Agreement (IGA) between LRAPA and the Land County Partners, the Board of Directors is charged with determining the amount of funding required from the Partners for the Agency to carry out its objectives for the FY24 fiscal year. Further, the Board determines the percentage per jurisdiction that is considered fair and equitable. The following discussion highlights some history on these dues as well as provides discussion on a new methodology including providing alternatives.

BACKGROUND

Board Action History. Partner dues supporting LRAPA are an important part of the overall LRAPA general fund budget. The previous formula used to calculate the dues in the past has included a Consumer Price Index (CPI) and adjusting for changes in population. For several years, in recognition of the 2008 economic recession, local dues requests were frozen by the Board equal to the FY09 level. In addition, the current methodology further reduces the dues from the Cities of Eugene and Springfield, as well as Lane County equal to half rate, with the other half being compensated through in-kind services. For example, LRAPA utilizes legal services from the City of Springfield. Another past practice was to match the general fund amount coming from the state of Oregon through a combination of cash and in-kind services.

One important note to consider is that annually, LRAPA is required to report expenses to EPA. These expenses are considered maintenance of effort (MOE). LRAPA is required to maintain its maintenance of effort annually to continue receiving funding from EPA. The partner dues are a key component of ensuring that LRAPA meet its MOE.

The below chart provides a 10-year history adopted partner dues:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Eugene	55,000	55,000	56,300	57,060	64,180	68,270	73,870	76,570	80,440	87,643
Springfield	21,220	21,220	21,590	21,880	24,610	26,870	28,960	30,020	28,980	31,806
Cottage Grove	9,260	9,260	9,460	9,590	9,830	10,250	10,640	11,030	11,590	10,428
Oakridge	3,670	3,670	3,740	3,790	3,880	3,960	4,080	4,230	4,440	3,358
Lane County	42,200	42,200	43,340	43,930	49,410	52,800	56,610	58,680	61,650	61,876
Total	131,350	131,350	134,430	136,250	151,910	162,150	174,160	180,530	187,100	195,111
	8.0%	0.0%	2.3%	1.4%	11.5%	6.7%	7.4%	3.7%	3.6%	4.3%

Analysis. The cost of protecting air quality in Lane County is increasing due to growth (population, business, and traffic), costs of doing business, inflation, and the addition of new and more complex local regulations, as well as federal and state environmental requirements adopted by LRAPA.

Based on the IGA, the local government partners of Eugene, Springfield, Cottage Grove, Oakridge, and Lane County share the financial burden of regulating the air within their respective boundaries. The dues cover the costs of providing monitoring, reporting, ordinance implementation, complaint response, and progress reporting. LRAPA is also funded through permit fees, sales of monitoring equipment, federal grants, and state general funds to cover the costs associated with these activities such as cleaner fuels, upgraded transportation equipment, reduced fuel use, lowered diesel emissions, and reduced particulate matter (PM) emissions through woodstove replacements.

LRAPA has historically requested a continuation level support from LRAPA’s partners that adjusts for CPI and population growth, recognizing that each request is subject to negotiation with each partner. Information applied to the calculations is found using the below links:

Lane Population Trend: <https://www.pdx.edu/population-research/sites/g/files/znlidhr3261/files/2022-04/2021%20Annual%20Population%20Report%20Tables.pdf>

Consumer Price Index: https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm

Highlights of the partnership include:

- *The intergovernmental agreement to form LRAPA in 1968 has allowed local governments to more effectively and efficiently reduce air pollution and improve air quality within Lane County.*
- *LRAPA and its stakeholders have been remarkably successful in meeting air quality health standards on or ahead of schedule.*

- *Achieving air quality health standards is important not only for protecting public health and the environment, but also for economic development.*
- *Without the LRAPA partnership, there would be significant losses of:*
 - *air quality progress*
 - *local control*
 - *grant funding to local communities*
 - *potential economic development*

FY24 Alternatives:

Last year, the Board approved LRAPA to consider expanding the methodology to include level of service as part of the methodology. Colleen, the Finance Director of Oakridge, has agreed to work with me to review any questions or alternative options, if needed. I also have a request out to the budget manager of the City of Springfield to also join our team if he has time.

For FY24, LRAPA has developed a draft three-prong approach to calculating the dues, including CPI, Population, and Level of Service, specifically complaint investigation within each jurisdiction. Currently, the methodology assigns 20% of the dues to Population, 20% to Service, and 60% to CPI. The two provided alternatives give an idea of the FY24 proposed dues for each jurisdiction based on that jurisdiction’s percent of the individual aspects. What changes is the beginning amount. The first alternative, (ALT-1) matches the State’s General Fund contribution for FY23, totaling \$263,514. The second alternative (ALT-2) is the current (FY23) dues increased by the CPI.

For consideration: if the new methodology is approved, LRAPA would consider each jurisdiction is paying their full share and that any in-kind services agreements would end. Additionally, if needed based on updates from today’s meeting, LRAPA can present the final FY24 dues request at the January Board meeting for approval.

ALT-1

Match State	Population	Service	CPI	FY24 Est	FY23	Difference	% Difference
\$ 263,514	52,703	52,703	158,108	263,514	195,111	68,403	35.1%
Eugene	24,189	26,351	71,022	121,563	87,643	33,920	39%
Springfield	8,588	12,649	25,774	47,011	31,806	15,205	48%
Cottage Grove	1,486	527	8,450	10,463	10,428	35	0%
Oakridge	446	527	2,721	3,694	3,358	336	10%
Lane County	17,993	12,649	50,141	80,783	61,876	18,907	31%

ALT-2

CPI on FY23	Population	Service	CPI	FY24 Est	FY23	Difference	% Difference
\$ 211,305	42,261	42,261	126,783	211,305	195,111	16,194	8.3%
Eugene	19,397	21,131	56,951	97,478	87,643	9,835	11%
Springfield	6,886	10,143	20,668	37,696	31,806	5,890	19%
Cottage Grove	1,192	423	6,776	8,391	10,428	(2,037)	-20%
Oakridge	358	423	2,182	2,963	3,358	(395)	-12%
Lane County	14,428	10,143	40,207	64,777	61,876	2,901	5%

BOARD ACTION

The Board may choose one of the above proposals, choose variations to the above proposals, or hold for final approval at the January Board meeting.

STAFF RECOMMENDATION

Staff recommends that the Board approve either option as direction to staff for dues requests.

SUGGESTED MOTION

MOVE TO APPROVE THE ABOVE RECOMMENDATION.