

# MINUTES

Eugene Budget Committee  
McNutt Room—Eugene City Hall—777 Pearl Street  
Eugene, Oregon

May 17, 2010  
5:30 p.m.

**PRESENT:** John Barofsky, Chair; Claire Syrett, Vice Chair; George Brown, Mary Ann Holser, Mike Clark, Terry McDonald, Shanda Miller, Andrea Ortiz, George Poling, Joe Potwora, Chris Pryor, Ramin Shojai, Doug Smith, Jennifer Solomon, Betty Taylor, Alan Zelenka, members; City Manager Jon Ruiz, Assistant City Manager Sarah Medary; City Attorney Glenn Klein; Central Services Director Kristi Hammitt; Sue Cutsogeorge, Larry Hill, Mia Carriaga, Pavel Gubanikhin, Central Services Department; Kurt Corey, Public Works Director Kurt Corey; Police Chief Pete Kerns; Library, Recreation, and Cultural Services Director AIC Renee Grube; Fire Chief Randy Groves; Scott Luell, Planning and Development Department.

Mr. Barofsky called the meeting of the Eugene Budget Committee to order.

## **I. MINUTES APPROVAL**

Mr. Barofsky called for amendments to the May 3 minutes. There were none.

Ms. Syrett, seconded by Mr. Pryor, moved to approve the minutes of May 3, 2010, as submitted. The motion passed unanimously.

## **II. INTRODUCTION OF INTENDED MOTIONS**

Mr. Barofsky noted that a Budget Committee meeting was tentatively scheduled for May 27, 2010, for the purpose of providing a recommendation to the City Council regarding funding strategies for the Urban Renewal Agency, contingent on City Council action on May 24, 2010.

City Manager Jon Ruiz updated the Budget Committee on the agenda for the council's May 24 meeting and reported that City staff continued to work on the County Club Road property acquisition intended to provide permanent quarters for the Police Department.

Mr. Barofsky said since the last meeting, Ms. Miller and Ms. Syrett had offered motions regarding funding for Lane County Animal Service (LCAS) and the Human Services Commission (HSC) funding. He asked the committee to consider Ms. Syrett's motion regarding LCAS funding first.

Ms. Syrett advocated for the restoration of \$200,000 for LCAS, indicating it would be funded by one-time moneys from the Council Contingency. She feared that further City funding reductions would result in service reductions that impacted the community. She did not object to looking for other sources of funding. She expressed concern that City staff and the City Council had not been clear about what they wanted from Lane County and suggested that the City should better articulate what it wanted from the contract. If that did not work, the City could come up with an alternative model or be better able to articulate its needs. She did not think a unilateral cut such as that proposed would achieve the intended results.

Committee members spoke to the proposed motion. Ms. Taylor believed the funding needed to be restored but she preferred to take the needed money from the economic development initiative. If the committee restored funding, the City should begin to discuss what services it wanted with the County immediately, which had not occurred in her tenure on the council. She agreed with Ms. Syrett that there could be other sources of funding.

Ms. Holser noted the high percentages of dogs and cats returned to owners or adopted out at LCAS and the fact that the majority of animals came from Eugene but the County was responsible for the entire service. She said LCAS had spent considerable time looking at alternatives suggested by the citizen members of the committee. Lane County was doing many of the things being done in modern kennels, including things that addressed the mental health of pets and people. She thought the City was receiving value for its money.

Mr. Clark noted the revenue losses expected by Lane County in future years due to the end of the timber payments and asked what the agency's long-term financial status was and if the County was going to continue to operate an animal control facility. City Manager Ruiz indicated that staff did not have any information about Lane County's long-term plans with regard to LCAS. Mr. Clark asked if the topic had come up in County budget committee meetings. Ms. Hammitt indicated she had heard of no specific reductions being proposed to LCAS by the County for FY11, although the County was considering funding a new facility, which implied an intent to operate the program over the long-term.

Mr. Potwora noted the low level of citations issued by LCAS in comparison to its enforcement contacts and suggested that the agency needed to step up the citation level. He observed that the County's fines were higher than the City's fines. Mr. Potwora he suggested that if the City was to use one-time funds to bridge the gap the committee needed to be clear about its expectations regarding enforcement of the code and the fine schedule.

Ms. Solomon arrived.

Ms. Holser suggested that the City initiate discussions with the County about the proposed reduction. She believed it was essential for the City to communicate with the County to determine if something could be worked out in regard to what was intended to be a partnership. She believed that the proposed reduction came as a surprise to the County. Ms. Holser suggested that the outcome of such a reduction could be that the County stopped providing services to the

City.

Mr. Barofsky asked about the length of the City's contract with LCAS. City Manager Ruiz indicated the contract was year-to-year and staff had been renegotiating the terms of contract since April. Mr. Barofsky suggested the City Manager was attempting to secure service at a level the City could afford. He pointed out that when the City suggested it needed to spend ten percent less on the contract, the County responded with a list of significant service reductions. Mr. Barofsky did not want to see the reductions implemented, but was unsure how to proceed given that the Budget Committee would not be able to see the contract before the budget was adopted.

Ms. Miller spoke to her motion to restore funding to LCAS. She proposed restoring the reductions to a lesser degree than the full \$200,000 to be more consistent with other reductions to City services. Her offset was to be from a six-month delay in the contract with the second CAHOOTS van, which she acknowledged was a challenge given the importance of the service. She suggested the partial funding restoration could be a stop-gap solution for fiscal year 2011 alone as opposed to ongoing funding. She thought there could be opportunities for increasing revenues or providing services more efficiently.

Ms. Ortiz did not support the delay in the CAHOOTS contract proposed by Ms. Miller because it was part of a more comprehensive effort in the form of the Downtown Safety Initiative. She questioned what would happen if the City gave the County \$200,000 and the County chose not to fund the service in its budget.

Ms. Syrett asked about the impact of delaying the CAHOOTS second van contract. City Manager Ruiz said the program would not start on July 1, 2010. His concern would be the danger that the one-time funding could turn into ongoing funding. Ms. Syrett had also reviewed the fine schedule and recommended the City reexamine its fees, particularly the breeder fee, commercial kennel fee, and fee for being late in renewing a dog license.

Mr. Pryor liked the proposal but was concerned about the ripple effects it would have on carefully put together strategies that were reflected in planned expenditures. He thought Ms. Ortiz and Ms. Syrett raised good questions and agreed more conversation with the County was needed.

Mr. Clark agreed about the importance of the CAHOOTS service. He believed that the motion raised larger questions about the relative responsibilities of the County and City. He had doubts about the County's ability to provide such services in the future and acknowledged citizens looked to the City to maintain such services if the County could not. He thought the City needed to prepare for that eventuality as the service was a valuable public safety function.

Mr. McDonalds expressed appreciation for the comments about CAHOOTS and the need to fund the Downtown Safety Initiative. He pointed out that the third element of the initiative, housing, was unfunded. Until that element of the Downtown Initiative was in place, there would be a hole in it, and anything taken away would diminish the strategy even more. He said any money added to the initiative should go to housing.

Mr. Potwora said that he could not support Ms. Syrett's motion to restore the full \$200,000 to LCAS knowing that the City's budget had been reduced by 5%.

Mr. Poling pointed out that Ms. Miller's motion would merely delay the expansion of CAHOOTS services, not eliminate it. He said the problem was the fact the money was one-time, and he said the Budget Committee had to stop using such money for ongoing services.

Ms. Holser emphasized LCAS' efficiency and effectiveness and the lean nature of its budget. She suggested the County needed to seek new revenue sources for LCAS.

Ms. Syrett noted the fiscal year (FY) 2011 reserves would be more than \$12 million, double what they were for FY 2010. She suggested that such a significant loss of service justified going to the reserves. She attributed the one-time nature of her proposed funding source to her understanding that the City Council wanted to engage the County in possible changes to the way the service was delivered.

City Manager Ruiz reminded the committee that the City was accumulating cash in FY11 to pay for FY12 PERS obligation increases and to offset the cost of absorbing the services currently supported by the library local option levy into the General Fund. The same was true for FY14 when another PERS rate increase is expected, with the goal of eventually moving toward an 8% General Fund reserve for revenue shortfall.

Ms. Syrett suggested that if the Budget Committee chose to restore the service, the funding could come from many places in the budget.

Ms. Syrett discussed her second motion, which was to use \$150,000 of FY11 General Fund marginal beginning working capital on one-time funding to the Human Services Commission for the purpose of providing additional support to social service agencies. She characterized the proposal as a continuation of the past one-time funding and said it would allow the social service agencies to retain staff and meet the needs of their clients. It would be a small but important infusion of funds.

Ms. Ortiz reviewed her proposal to take \$100,000 from the implementation of the City's Diversity and Equity Strategic Plan and Climate Change Action Plan to support the Human Services Commission. She asked staff if the money supported City jobs. Keli Osborn of the City Manager's Office said no. City Manager Ruiz indicated that the money would allow the City to move forward with both plans and make progress on things like food security and energy. Ms. Osborn reviewed some of the expenditures envisioned through the implementation of the two plans.

Mr. Poling suggested that the City needed to institutionalize the increase to the Human Services Commission and budget for it permanently.

Ms. Solomon, a member of the Human Services Commission, supported Ms. Ortiz's suggestion for funding.

Mr. Barofsky questioned when the funding that would be realized by passage of Ms. Miller's motion could be made available. Speaking to Ms. Ortiz's motion, Mr. Barofsky determined that no one would be laid off by passage of her proposal. City Manager Ruiz indicated there was a potential such a reduction would reduce the amount of time staff could work on the associated initiatives but no one would be laid off.

Mr. Pryor emphasized the importance of stabilizing HSC funding in FY12 because he agreed with others that the one-time funding was not a viable solution. He pointed out the funding level in the proposed budget did not represent a decrease and the motion would represent an increase. He did not object if the motion passed but indicated his focus would be on stabilizing the commission's funding for the future.

Mr. Zelenka, a past member of the Human Services Commission, emphasized the need and suggested that no matter how much money the community threw at it, it would not meet the need, which was a sad state of affairs. He preferred Ms. Syrett's motion to Ms. Ortiz because the City had been working on the two plans in question for more than year and many community members contributed to them. He feared if Ms. Ortiz's idea was adopted, the plan would not be implemented.

Responding to a question from Mr. Zelenka, Ms. Osborn reviewed some of the Diversity and Equity Strategic Plan actions that staff contemplated would be funded in the coming fiscal year and emphasized the interconnectedness of the two plans.

Mr. Potwora also supported Ms. Ortiz's proposal. He believed the plans were important but perhaps the needs funded by the Human Services Commission were more important this year. He also suggested the potential some of the funding for plan implementation could be directed to the Human Services Commission.

Ms. Ortiz asked City Manager Ruiz if he could find an ongoing \$100,000 in the budget for the Human Services. City Manager Ruiz said he could, but it would require a budget reduction elsewhere.

Ms. Syrett liked Ms. Ortiz's suggestion for ongoing funding and indicated that the need to stabilize the fund had also been on her mind when she proposed one-time funding.

Mr. Zelenka asked that the committee be provided with copies of the two plans. He also supported more funding for the Human Services Commission but did not think it should come out of the Climate Change Action Plan.

Mr. Clark determined from Ms. Osborn that the one-time funding proposed for plan implementation would be dedicated to expenditures that needed a "kick" for resources, such as language interpretation resources. Mr. Clark supported continued effort on that element of the plan, but indicated he was also inclined to support Ms. Ortiz's proposal.

Ms. Holser supported Ms. Ortiz's idea to more permanently fund the Human Services Commission at a higher level and questioned the need for Climate Change Action Plan at the City level.

Speaking to Ms. Ortiz's proposal, City Manager Ruiz said the budget was built around the Eugene Counts process and the City Council's policy decisions to the two plans, and to such actions as the organization becoming carbon neutral by 2030. He could not tell the Budget Committee exactly what the money would be spent on, but he could assure the committee that the expenditures would forward the Council's goals. He emphasized the Council's interest in diversity, equity, and access, and said staff had developed the Diversity and Equity Strategic Plan to help it move toward being a diverse accepting organization that served as a model for the community. He believed that while the money would not realize all the goals of the plans, it represented a good start. City Manager Ruiz also acknowledged that additional funding for the Human Services Commission was needed. He reiterated that he could identify additional resources, but a reduction elsewhere would be needed.

Mr. Barofsky stated that the Climate Change Action Plan and Diversity and Equity Strategic Plan reflect the priorities of the City Council, and that the Budget Committee should be aware of this when proposing budget trade-offs.

Responding to a question from Mr. McDonald, Ms. Syrett anticipated that any money provided to the Human Services Commission if her motion was passed would be allocated to the social service agencies by the Commission. She said she had not suggested that the money be limited to Eugene agencies only.

Ms. Miller indicated that she would like to hear more from the City staff about where additional budget reductions can be made in order to offset smaller reduction to LCAS and additional HSC funding.

Mr. Zelenka indicated his intent to offer a motion directing the City Manager to suggest options for \$388,000 of ongoing funds to provide offsets to \$200,000 reduction to LCAS, \$150,000 of additional HSC funding, \$30,000 to Hendricks Park, and \$8,000 to the Amazon Pool.

Ms. Solomon suggested the motion was merely "punting" the issue back to City Manager Ruiz and she did not think it was fair. Mr. Poling agreed. He said if the Budget Committee adopted such a motion, it would never complete its work.

Ms. Taylor indicated she did not support Mr. Zelenka's motion.

Mr. Pryor wanted more time to process what the ongoing impact of such a motion would look like, and suggested that could take at least a year.

Mr. Clark said he did not support the motion and questioned whether it was necessary because he thought the City Manager did not need it to offer the committee his ideas.

Mr. Zelenka said he did not have to put the direction in the form of a motion if the City Manager

was willing to return with a memorandum with suggestions as to how the funding could be accomplished. City Manager Ruiz agreed.

Mr. Barofsky invited additional motions.

Mr. Shojai was interested in discussion of a motion that moved the City away from consumption-based budgeting in future years toward a budget processing that included benchmarks that allowed citizens to see where Eugene compared against other cities in Oregon and the national average. He cited acres of parks and expenditures on roads as an example of potential benchmarks. Residents could review that information and decide what level of expenditure they preferred. City Manager Ruiz suggested that the idea be placed in abeyance pending the committee's discussion of service profiles and the completion of the Eugene Counts process.

Mr. Clark endorsed the type of analysis that Mr. Shojai was discussing.

Responding to a question from Ms. Ortiz, City Manager Ruiz indicated that the budget did not include any furlough days, and he had not discussed that possibility with AFSCME.

Mr. Barofsky encouraged Mr. Shojai and all members to review the City's service profiles for more information about the services provided by the City.

### **III. ADJOURN FOR BREAK**

The Budget Committee adjourned its meeting and reconvened in the Eugene Council Chamber for the public hearing on FY11 budget.

### **IV. PUBLIC HEARING ON THE FISCAL YEAR 2011 BUDGET RECOMMENDATION**

Mr. Barofsky opened the public hearing.

**Deborah Frisch** criticized the budget process and what she perceived as the City's general lack of planning.

**Scott Bartlett**, a member of the Lane County Budget Committee, reported that Lane County had no plans to reduce the Animal Control budget this year but next year the County was facing a large deficit and could lose a considerable amount in federal funding. He said that when LCAS was proposed for elimination, many people weighed in to call for its preservation. It was an important issue to many. He recommended that the committee accept Ms. Syrett's motion. The county delivered very good services to the City of Eugene. He believed that Lane County met its performance goals by saving lives and providing high quality services. He acknowledged other models existed but he saw no others that worked. He agreed that enforcement was a considerable issue and that more revenue could be generated. He suggested the City Council could up the

penalty for veterinarians not reporting rabies vaccinations. The City could also post signs in dog parks and incorporate warnings into its mailings to citizens.

**Zach Vishanoff** opposed the proposal to raise parking fees near the University of Oregon campus. He asked if the City was willing to let staff extract money from one or two neighborhoods while other neighborhoods were held harmless. He urged the City Council to question that. He thought it created more of a divide between students and downtown. The City should be encouraging students to get involved rather than “nickel and diming” them. He suggested the City was avoiding getting student input by limiting their input to three minutes. He asked about the hearings related to the vacation of Moss Street and said he wanted to provide good information to people. He asked the Budget Committee to clarify the potential timing of the hearings and whether there would be two hearings or one and whether the issue was subject to appeal.

**Cary Liebermann**, Executive Director for the Greenhill Humane Society, supported the direction that the City appeared to be going with regard to animal control services. He said more research and examination of a cooperative model made sense to him. He said it also made sense to be concerned about the impacts of reducing animal control coverage for the City and how that impacted citizen safety. He believed the City was moving in a positive direction and envisioned the outcome would benefit animals while making residents feel more secure. He recommended that Eugene look to the work of other communities for other examples and models. He cited the Calgary model as one example. Mr. Liebermann recommended the City reconsider the proposed reduction until it had been further explored. He suggested the City could increase the number of dogs that people were allowed to keep so that people would actually license their third dog.

**Jim Beyer**, member of the Board of Directors of Friends of Hendricks Park, spoke in opposition to the proposed reduction of \$30,000 for a forest management plan for the park. He spoke of the important role the coordinator provided in maximizing volunteer hours in the park that resulted in significant volunteer resources in the park. He spoke of the work done by youth volunteers in forest restoration and stressed the importance of youth participation in the park. He said his organization had been a long-time partner with the City in the management of the forest and believed the coordinator position was vital in promoting volunteer participation.

**Eric Fisher**, a member of Friends of Hendricks Park, also spoke in support of the funding for Hendricks Park. He spoke of the burden that Mothers Day placed on the staff and park volunteers and the use that those individuals made of the forested area of the park. He emphasized the importance of the volunteers, saying they were the roots of Hendricks Park Forest. He feared that the park would lose ground to the ivy without the funding needed, and would also lose its community volunteers.

**Mary Ann Holser**, a member of the Budget Committee, recalled her service on the Lane County Budget Committee and averred that LCAS had made good use of its funds and the proposed reduction totaled a significant percentage of its budget. She noted the high percentage of dogs and cats that were returned to their owners or adopted. She said animal control was a public health issue. Ms. Holser did not think that the City’s approach addressed the sustainability of animal control. She hoped that more discussion would happen and the services in place would be

retained.

**Diane Soberman** spoke of her involvement with animal welfare and her volunteer work with LCAS. She had been discouraged by the conditions she found. Volunteers were not encouraged and the staff did not like to deal with volunteers. The quality of life for animals was not good and there was no emphasis placed on adoptability. However, that had changed over three years and she had seen major improvements. Staff interacted well with the public and volunteers and focused on adoptability and medical care. She had a much better feeling about LCAS, as did other volunteers, and their numbers had increased. She was concerned that if LCAS funding was cut, the positive things that had happened would revert to how it used to be, and that would be a major detriment to the animals of the community, animal volunteers, and the community in general. She said the City's funding was very important to LCAS and she hoped the Budget Committee would consider continuing funding at the current level. .

**Kathleen Magill**, an LCAS volunteer, reviewed the scope of services offered by LCAS and said the budget cut would imperil those services and affect the community. She said it was a public safety issue. Because people chose to make animals part of the community, it was responsible for them. She encouraged the committee to visit the facility to see the great work done by the staff and volunteers.

**Valarie Jurgen** spoke to the proposed postponed delay of Amazon Pool and suggested that the pool be opened on July 4 and closed a week early.

There being no more requests to speak, Mr. Barofsky closed the public hearing and thanked those who offered testimony. He said it had an impact on the committee's decision making.

Mr. Barofsky solicited questions.

Mr. Potwora asked Mr. Liebermann to explain the Calgary model he spoke of. Mr. Lieberman described the approach taken by the Calgary Humane Society and animal control service in that community, which had a 90% license rate following an extensive community conversation about the subject. He emphasized that it took years for that community to get where it was.

Mr. Pryor left the meeting.

Mr. Barofsky again solicited motions.

Mr. Poling, seconded by Ms. Solomon, moved that the City Budget Committee and City Council shall not use one-time money to fund ongoing expenditures when making amendments to the FY11 proposed budget.

Ms. Solomon determined from City Manager Ruiz that the funding discussed earlier in regard to Ms. Ortiz's suggested motion was one-time in nature.

Ms. Ortiz appreciated the spirit of the motion but suggested that if it was passed there was no reason to convene the Budget Committee. She said this was the committee's opportunity to weigh in on the City's budget priorities from standpoint of the community's values.

Ms. Holser believed that it would be a problem if the committee could not move money appropriately. She acknowledged the City needed a sustainable plan, but suggested the City also had the need to use one-time moneys in an economic crisis to bridge gaps. She also appreciated the spirit of the motion but did not think it workable at this time. She suggested the City could work toward instituting such a policy at a later time.

Mr. Poling said that the direction the Budget Committee was given was to come up with a funding source for ongoing expenses. He believed it was fiscally irresponsible for the City to continue to use one-time money for ongoing expenditures. He recalled Ms. Syrett saying that the Human Services Commission allocation was a continuation of one-time funding and suggested that made his point. He said for at least three years, the City had used one-time funding to supplement its allocation to the commission. Mr. Poling believed the City had to quit using one-time moneys for ongoing expenditures. He pointed out that the Council Contingency was intended for unanticipated expenditures, not for use before the budget was finalized.

Responding to a question from Mr. Barofsky, City Attorney Glenn Klein explained that a motion by the Budget Committee represented a recommendation both to the Budget Committee and the City Council. The Budget Committee could not limit what the City Council could do.

Mr. Poling proposed a friendly amendment that the Eugene Budget Committee will not use one-time money to fund ongoing expenditures and would make a recommendation that the City Council also not do so. Ms. Solomon, the second to the motion, accepted the friendly amendment.

Responding to a question from Mr. Barofsky about the effect of the Budget Committee passing a motion that was inconsistent with the motion on the table, Mr. Klein suggested there was nothing illegal about the Budget Committee passing such a motion. Such a motion would implicitly amend the motion on the table by being inconsistent with the motion. He said that some chairs would rule such a motion out of order. He believed the motion on the table was not so much a legal motion as it was a motion of intent.

Mr. Barofsky also appreciated the spirit of the motion and believed the City should be moving toward a sustainable budget. However, he believed sometimes one-time expenditures were in order. He was inclined not to rule a future motion inconsistent with the motion on the table out of order.

Mr. Clark thought Mr. Poling was right and that part of the challenge facing the committee was due to its past actions, which created long-term obligations. However, he did not intend to support the motion, although he was unlikely to vote for one-time moneys for ongoing operational expenditures.

Ms. Syrett did not support the motion and suggested that semantics were involved in what was one-time funding and what was ongoing funding. She agreed it was important for the Budget Committee to have the flexibility that such one-time expenditures provided. She also suggested defeating the motion would avoid placing Budget Committee Chair in a sensitive position. Ms. Syrett thought it was legitimate for Budget Committee members to oppose expenditures based on the use of one-time money but did not want to bind them with the motion.

Ms. Taylor appreciated that Mr. Poling brought up the motion and thought the Budget Committee should keep it in mind while voting but she agreed with Ms. Syrett.

Mr. Poling suggested that to support something year after year indicated it was an ongoing expenditure and he wanted to clearly identify the funding as that.

The motion failed, 3:2:10; Mr. Poling, Mr. Smith, and Ms. Solomon voting yes, and Ms. Miller and Mr. Shojai abstaining from the vote.

There was brief discussion about whether Budget Committee members were allowed to abstain. Mr. Klein indicated that elected officials may not abstain due to the fact of their election. He did not know the rules governing the Budget Committee but recommended the Committee allow the abstentions and staff would check to determine if that was acceptable.

Mr. Zelenka, seconded by Mr. Clark, moved to adjourn.

Mr. Barofsky observed that the Budget Committee would spend more time at the next meeting if the motion passed.

Mr. Poling did not support the motion. He pointed out the Budget Committee would be right back to the start of the process if the City Manager returned with reductions to the next tier, which would necessitate additional discussion. He preferred to move forward with the meeting.

Ms. Holser supported adjournment.

Mr. Potwora noted his concurrence with the concerns expressed by Mr. Poling about one-time funding.

The motion passed, 11:4; Mr. Poling, Mr. Barofsky, Mr. Brown, and Ms. Miller opposed.

Mr. Barofsky adjourned the meeting at 8:30 p.m.

*(Recorded by Kimberly Young)*