

MINUTES

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

May 19, 2010
5:30 p.m.

PRESENT: John Barofsky, Chair; Claire Syrett, Vice Chair; George Brown, George Poling, Chris Pryor, Jennifer Solomon, Betty Taylor, Alan Zelenka, Terry McDonald, Mary Ann Holser, Shanda Miller, Joseph Potwora, Ramin Shojai, Doug Smith, Mike Clark, Andrea Ortiz, members; City Manager Jon Ruiz, Assistant City Manager Sarah Medary; Kurt Corey, Public Works; Kristie Hammitt, Central Services; Scott Luell, Planning and Development; Jeff Perry, Municipal Court; Sue Cutso-george, Mia Cariaga, Larry Hill, Twylla Miller, Pavel Gubanikhin, Finance Division.

Mr. Barofsky called the meeting of the Eugene Budget Committee to order at 5:30 p.m.

I. PUBLIC COMMENT

Deb Frisch commented on recent City Council primaries election and on the Gulf of Mexico oil spill. She also stated her opinion that the City's budget process should be evidence based and value-driven, and disagreed with City Manager Jon Ruiz's assessment that the Eugene Counts initiative had positively contributed to the budget process. She opined that the membership of the Budget Committee is not diverse enough.

Nancy Ellen Locke spoke in her capacity as a board member of the Friendly Street Neighborhood Association. Ms. Locke commented on the need for infill sidewalks in the Friendly Street neighborhood and suggested that as an alternative to concrete sidewalks the City can create walking trails made out of bark on the city right-of-way. She further commented on the need for improved sidewalks throughout Eugene.

Josh Bruce spoke in his capacity as Vice Chair of the City's Sustainability Commission and advocated for Budget Committee support for the Sustainability Commission's work plan in general and the City's Community Climate and Energy Action Plan (CCEAP) in particular. Mr. Bruce noted the high level of public support for sustainability related issues and further commented on the recent high attendance for the CCEAP workshop and public information events. Mr. Bruce expressed that the Sustainability Commission's role in providing guidance to the City on sustainability matters was predicated on the provision of City resources to the Commission. Mr. Bruce stated that the one City staff member assigned to support the Sustainability Commission was insufficient to adequately address the sustainability issues faced by the City. He believed that the implications of the City's inactivity with respect to sustainability matters were of grave concern and that a lack of adequate sustainability planning efforts in the immediate future

would make later responses much more difficult and expensive.

Josh Skov spoke in his capacity as Chair of the City's Sustainability Commission and briefly discussed the high level of community involvement in the development of the CCEAP. He noted that the CCEAP served as a unique point of integration for various issues such as land use and transportation. He noted that the CCEAP was relevant to various levels of the community and the City government. He maintained that the actions laid out in the CCEAP were "profoundly local" and could have tremendous effects upon a variety of sustainability elements. Mr. Skov encouraged the Budget Committee to approve funding for the planning and implementation of the CCEAP.

Scott Bartlett briefly discussed additional public policy aspects of animal care and control in the community. He advocated for the continued support of the nationally recognized animal services programs of Eugene and Lane County. He briefly discussed the importance of new and improved animal control shelters and the need to reduce the number of animal deaths in the community.

Eugene Mayor Kitty Piercy thanked the Budget Committee and City staff for their efforts in the budget process. She noted that she and the Eugene City Council had set goals to protect City resources for future generations and felt strongly that it would send the wrong message for the City to reduce or eliminate funding support for the CCEAP. She noted that the City Council also maintained a very strong commitment towards protecting jobs in the community. Ms. Piercy commented on the City's commitment to making Eugene a welcoming, safe, diverse and equitable community and believed that support for the City's diversity plan was essential to that commitment.

Mr. Barofsky closed the public comment portion of the meeting and noted that many of the points raised in the public comments would be directly addressed in the motions to be discussed by the Committee.

Mr. Potwora asked Mr. Skov to briefly summarize the CCEAP. Mr. Skov responded that the CCEAP contained a series of goals involving land use and transportation issues. He noted that the CCEAP had been developed using the triple-bottom line framework. Mr. Skov briefly summarized the main elements of the CCEAP including the continued integration of land use and transportation concerns, a reduced dependence on non-renewable energy sources, and an increased commitment to environmentally aware business and economic development strategies. He stated that there is an opportunity for the City to play a role in helping the community better understand sustainability issues.

Ms. Syrett expressed her appreciation of the public comments and noted that City Manager Jon Ruiz had offered an alternative funding strategy for the Sustainability Commission. She noted she had helped form the Sustainability Commission and was highly supportive of their continued funding. She further hoped that the City's various diversity, equity and sustainability plans would contain a substantial amount of crossover as the plans were executed.

II. MOTIONS, DISCUSSION AND COMMITTEE ACTION

Mr. Barofsky stated that staff had proposed an alternative to Mr. Smith's motion regarding the Amazon pool. Mr. Ruiz added that the staff recommended motion should refer to aquatics rather than only the Amazon Pool.

Mr. Smith noted he had reviewed the staff recommended motion and had also sent an email to the Budget Committee members regarding the justifications for his proposed motion regarding the Amazon Pool.

Mr. Smith, seconded by Mr. Barofsky, moved to restore the proposed FY11 reduction of \$8,000 (net of revenue loss) associated with a 4-week delay in the opening of Amazon Pool and reduce the Council Contingency by the same amount.

Mr. Smith expressed his opinion that the kids involved in the aquatics programs at Amazon Pool were generally without resources and that they relied on funds raised by adults.

Mr. Smith explained the rationale for his proposed motion and noted that the swimmers in the aquatics programs at Amazon Pool generally did not have a great deal of resources.

Mr. Smith spoke to the staff recommended motion and noted that he was hesitant to support it. Mr. Smith suggested a revision to the staff motion that would eliminate the proposed delay of the opening of Amazon Pool.

Ms. Ortiz wanted to support Mr. Smith's previously stated motion but felt that the City Council should decide the priorities for the Council Contingency. She noted that the contingency had recently been reduced and that she was uncomfortable that Mr. Smith's motion had targeted those funds.

Ms. Taylor supported Mr. Smith's motion and felt that the funding request contained therein would be an appropriate use of the Council Contingency funds. She further expressed that there were not usually enough unanticipated expenditures to justify the current amount of the Council Contingency.

Mr. Barofsky supported Mr. Smith's motion. He further referenced the staff recommended motion and noted that staff had the authority to raise aquatics fees at their discretion. He maintained that the amount of time devoted to the discussion of the \$8,000 Amazon Pool item was excessive. He believed that the funding request would be a proper use of City resources and that the Council could direct the City Manager to use other funding sources if they chose not to use the contingency funds.

Ms. Holser agreed with Mr. Barofsky that the amount of time devoted to the discussion of the Amazon Pool and the \$8,000 budget reduction had been excessive.

Mr. Smith, responding to a request for clarification from Ms. Holser, noted that the delayed opening of the Amazon Pool only affected the 50-meter lap swim pool that was normally open at the beginning of the season.

Ms. Holser noted she would support the motion as long as it provided for the use of the 50-meter

lap swim pool for both recreational and competitive swimmers.

Mr. Zelenka concurred with Mr. Barofsky's statement that the amount of time devoted to the discussion of the Amazon Pool and the \$8,000 budget reduction had been excessive. He further stated that a significant number of recreational and competitive swimmers would benefit from the passage of Mr. Smith's motion.

Mr. Zelenka stated that the City of Eugene charged aquatics/swim teams approximately \$15,000-\$30,000 and water polo teams approximately \$2,000 for the use of City aquatics facilities. He understood that the City did not charge other types of sports teams for the use of City resources and facilities.

Mr. Zelenka felt that the \$8,000 expenditure referenced in Mr. Smith's motion would be an appropriate use of Council Contingency funds. Mr. Zelenka stated that he would support the motion.

Mr. Pryor asked if Mr. Smith would accept a friendly amendment to his motion that would remove the direction to use the Council Contingency fund. Mr. Pryor was reasonably certain that staff could find the \$8,000 referenced in the motion elsewhere in the General Fund.

Ms. Solomon arrived to the meeting at 6:04 p.m.

Mr. Pryor, responding to a request for clarification from Mr. Smith on the proposed friendly amendment, indicated that the alternative funding source to be identified by staff would be ongoing.

Mr. Barofsky asked Mr. Ruiz if he was comfortable with the language of the friendly amendment as offered by Mr. Pryor. Mr. Ruiz answered in the affirmative and further stated that he liked the flexibility that would be allowed by the friendly amendment.

Mr. Smith accepted Mr. Pryor's previously stated friendly amendment with the consent of the second, Mr. Barofsky.

Mr. Potwora expressed a concern that the motion as amended was unclear as to the direction for City staff to locate an alternative ongoing funding source. He noted he would support the motion so long as it was explicit that staff would be directed to locate funding from an alternative source.

Mr. Poling noted his agreement with Ms. Ortiz that the funds to cover the Amazon Pool funding reduction should not be taken from the Council Contingency. Mr. Poling hoped that staff would re-evaluate City aquatics fees over the next six to eight months and raise those fees if it was deemed reasonable and appropriate. He noted that he would support the previously stated motion with the friendly amendment offered by Mr. Pryor.

Ms. Ortiz noted that other non-aquatic youth sports teams in the community use jointly owned facilities and that the participants on those teams often pay significant fees use those facilities.

Mr. Smith recognized that the \$8,000 indicated in his motion was not a large amount but noted that it represented a great deal to those Amazon Pool users who might be affected by its elimina-

tion. He appreciated the statements of support from the Budget Committee members.

Mr. Barofsky called for a vote on Mr. Smith's previously stated and amended motion to "restore the proposed FY11 reduction of \$8,000 (net of revenue loss) associated with a 4-week delay in opening of the Amazon Pool." The motion passed unanimously, 16:0.

Mr. Barofsky removed the staff recommended motion regarding the Amazon Pool from the table.

Mr. Zelenka, seconded by Mr. Clark, moved to restore the proposed FY11 reduction of \$30,000 for the Hendricks Park forest management contract and restoration work and \$20,000 for maintenance at Creekside Park, once developed, and reduce the Council Contingency by the same amount.

Mr. Zelenka noted previous comments from staff and community members regarding the importance of the forest maintenance contract in effectively leveraging volunteer resources at Hendricks Park.

Mr. Clark noted that the funding called for by the motion was intended to provide for the maintenance of Creekside Park in conjunction with his intended motion to develop the park. He further noted that the continuance of the forest maintenance contract for Hendricks Park would allow the volunteer coordinator there to also work with the Creekside Park maintenance volunteers.

Ms. Solomon thought that Creekside Park was not due to be developed until 2014. Mr. Clark responded that the development of Creekside Park would be addressed in another motion later in the meeting.

Mr. Clark commented that the funds provided by the previously stated motion would be used as working capital for the Creekside Park development.

Mr. Clark noted that Creekside Park was the first park on the capital project list to be developed.

Mr. Clark expressed that the residents of the Creekside Park area had been inadvertently informed that the park would be completed in 2010 and that many residents had purchased property in the area based on that information. He noted that the delayed development of Creekside Park had represented considerable hardship for those persons who had purchased property with the expectation that the park would be developed by 2010.

Ms. Miller asked if staff might be directed to locate an alternative funding source similar to the previous motion regarding the Amazon Pool. Mr. Ruiz responded that it would be necessary to definitively determine the ongoing funding source since it represented an ongoing cost. Mr. Ruiz further noted that Creekside Park could not really be developed unless the funding for the park maintenance was in place.

Mr. Ruiz, responding to a question from Ms. Miller, noted that the Council Contingency fund for FY2011 was \$150,000.

Ms. Holser supported Mr. Zelenka's previously stated motion and noted her appreciation that it might be possible for the City to fund smaller items such as the forest management contract at Hendricks Park.

Mr. Pryor noted that Mr. Zelenka's motion represented a mingling of ongoing and one-time funding. Mr. Ruiz clarified that the \$50,000 amount indicated by the motion would be an ongoing cost and would require a permanent reduction of the Council Contingency.

Mr. Pryor noted previous reductions to the Council Contingency and asked if that account could be sustained if the stated motion was passed. Mr. Pryor maintained that directing the funding for the forest management contract and the Creekside Park maintenance from the Council Contingency would leave the contingency excessively diminished.

Mr. Ruiz, responding to a question from Mr. Potwora, stated that the Council Contingency was set as part of the City Manager's recommended budget and that there were no specific metrics or instructions within the City's charter for how that contingency fund amount was set.

Mr. Potwora commented that passage of the motion would represent a conscious decision to reduce the Council Contingency by another thirty percent.

Mr. Barofsky, responding to a question from Mr. Brown, stated it would cost approximately \$600,000 to develop Creekside Park. He noted that the development project for the park was currently unfunded but was also at the top of the City's capital project list.

Mr. Ruiz noted that the Creekside Park development project had originally been scheduled for FY10, but had been delayed because projected revenues from parks system development charges had not materialized and the funding sources for the ongoing maintenance of the park had never been identified.

Mr. Brown was concerned that funding for the maintenance of Creekside Park was being discussed before the funding for the development of the park had been firmly established.

Mr. McDonald asked for further clarification regarding Mr. Zelenka's motion and how it appeared to have been consolidated with Mr. Clark's intended motion regarding the development and maintenance of Creekside Park. Mr. Zelenka responded that if his previously stated motion did not pass he might or might not raise another motion that would only provide for the Hendricks Park forest management contract.

Ms. Taylor asked how much a special election would cost the City of Eugene. Finance Director Sue Cutsogeorge responded that the special election itself would cost approximately \$25,000 with an additional information tabloid that would cost another \$25,000.

Ms. Taylor stated that the Council Contingency had most recently been used to fund requests from various groups in the community. She believed that it had not actually been utilized for actual contingencies but for incremental requests from various community groups.

Ms. Taylor wondered why the Budget Committee appeared to want to help fund Hendricks Park and Creekside Park more than other City parks and further indicated she would not support the

motion.

Mr. Smith briefly discussed the history of the Council Contingency fund and noted how it had been reduced over the past several years from approximately \$300,000 down to \$90,000 in FY10. He further asked why the Council Contingency could not be increased in order to accommodate the proposed funding for the Hendricks and Creekside Parks.

Mr. Ruiz responded to Mr. Smith's comments and noted that the Council Contingency had been reduced in order to help offset the City's current budget shortfall.

Mr. Poling noted that the north Eugene area was underserved with respect to City parks and stated that he supported ongoing funding for the maintenance of Creekside Park. However, he noted his concern about using the Council Contingency for such expenditures and suggested that the previously stated motion would leave the Council incapable of using their contingency fund for a variety of unexpected costs. Mr. Ruiz replied that any critical unexpected costs that could not be covered by the Council Contingency would be covered out of the City's General Fund reserve.

Ms. Ortiz found the proposed reduction to the Council Contingency acceptable. She further noted her approval that the funding reduction would be used to maintain City parks and hoped that such funding would also include opportunities for the City parks to formalize their volunteer efforts within the community.

Mr. Zelenka felt it was important to fund the forest management contract at Hendricks Park so that the volunteer efforts for that park could be leveraged efficiently and productively.

Mr. Zelenka commented he had selected the Council Contingency fund in his motion at the suggestion of the City Manager. He further maintained that the Council Contingency had been set up to cover anticipated expenses where the exact amount was unknown.

Mr. Zelenka averred that he did not anticipate any new City Council position hires or special elections that might need to be funded by the Council Contingency.

Mr. Zelenka restated that Creekside Park was the first park development project on the City's parks development capital project list. He agreed with Mr. Poling's previous comment that the north area of Eugene was underserved with respect to City parks.

Mr. Clark agreed with Mr. Zelenka's assessment that the forest maintenance contract funding would directly assist efforts to leverage the Hendricks Park volunteers more efficiently.

Mr. Clark understood that the Council Contingency had been set up to avoid the more formal process of a supplemental budget. He noted that the proposal to use the Council Contingency for the Hendricks Park or Creekside Park funding did not preclude the possibility of alternatively engaging in a supplemental budget process.

Mr. Clark noted that he and Mr. Zelenka had never put forth a motion together and believed that it set a nice precedent for the Council.

Mr. Ruiz, responding to a question from Ms. Holser, noted that the forest management contract

for Hendricks Park was intended to be an ongoing expense that would pay for one ongoing contract position.

Ms. Holser noted her concern that the forest management contract would not actually be an ongoing expenditure. Ms. Medary specifically stated that the \$50,000 for the Hendricks Park forest management contract and the maintenance of Creekside Park would be an ongoing expense.

Staff revised the motion to read: “Move to fund \$50,000 ongoing consisting of \$30,000 for the Hendricks Park forest management contract and restoration work and \$20,000 for maintenance of Creekside park once developed by reducing the Council Contingency by the same amount.”

Ms. Holser commented on the promise made by the City to north Eugene residents that the Creekside Park would be completed in 2010 and noted that those constituents felt they were indeed owed a park. Ms. Holser further noted that the City’s Parks and Open Space Division had a commitment to carry out the forest management plan. Ms. Holser noted that she would probably support the motion in order to satisfy the commitments that had been made by the City.

Mr. Pryor commented on the history of the Council Contingency and the anticipated and unanticipated expenditures from that fund. He believed it might be difficult for the Council Contingency to essentially be reduced by the proposed motion and that such reductions might make it less feasible for the Council to grant as many public contingency fund requests as had been made in the past.

Ms. Taylor expressed that she wanted to reduce the Council Contingency so that it would not be considered a funding source for various requests from the public.

Mr. Ruiz, responding to a question from Ms. Taylor, noted that any remaining Council Contingency amounts at the end of the fiscal year would become part of next fiscal year’s beginning working capital.

Ms. Taylor asked what would happen to the \$20,000 in maintenance funding for Creekside Park if the motion to fund the actual development of the park failed. Ms. Medary suggested that the funds might be rolled into the overall maintenance of parks and volunteer programs.

Mr. McDonald recognized that previous Budget Committee discussions had indicated that the City would not extend funding for a variety of areas. Mr. McDonald further recognized the City had made various promises to the people of Eugene with respect to various public concerns but did not agree that the City had a superseding obligation to meet the commitments it had made regarding the development of Creekside Park.

Mr. McDonald was concerned that the Budget Committee was discussing new motions at one of its final meetings and hoped that the last-minute nature of the discussions could be avoided in the future.

Ms. Syrett agreed with Ms. Taylor comments that the Council Contingency should be reduced so that it would not be considered a funding source for various requests from the public.

Ms. Syrett recognized the opportunity in the stated motion for the volunteer work at Hendricks Park and other city parks to be leveraged more effectively.

Mr. Pryor excused himself from the meeting at 6:42 p.m.

Mr. Zelenka re-read his motion as revised by staff during the meeting discussion for the benefit of the Committee members: “Move to fund \$50,000 (ongoing) consisting of \$30,000 for the Hendricks Park forest management contract and restoration work and \$20,000 for maintenance of Creekside park once developed by reducing the Council Contingency by the same amount.”

Mr. Barofsky called for a vote on the previously stated motion. The motion passed, 12:3 (Mr. McDonald, Mr. Shojai and Mr. Brown voting in opposition).

Mr. Barofsky, seconded by Ms. Solomon, moved to recommend to the City Council that \$200,000 of the FY11 marginal beginning working capital (MBWC) in the General Fund, after the \$900,000 transfer to the General Capital Projects Fund, is transferred to the Public Works enhanced pothole program.

Mr. Barofsky referred to earlier Committee discussions regarding the pothole program and restated that the \$200,000 referred to in his motion would be extra money after the books had been closed and further noted that it would not subtract from the \$900,000 transfer to the General Capital Projects Fund.

Mr. Barofsky noted that while he had initially intended the funds in his motion to go towards addressing unimproved streets in Eugene, he had changed his motion to direct the funding to the Public Works enhanced pothole program.

Mr. Barofsky believed his motion represented a good one-time expenditure of the MBWC.

Mr. Poling asked how a transfer of excess funds from the General Fund’s MBWC would affect the basis for the City’s FY12 budget. Mr. Ruiz replied that any excess funds past the \$900,000 transfer to the General Capital projects fund normally went into general fund reserve for revenue shortfall to be budgeted as part of the FY12 budget.

Mr. Poling asked for further information regarding the Public Works enhanced pothole program. Public Works Director Kurt Corey responded that the annual allocation for the pothole program was approximately \$100,000, and that Mr. Barofsky’s motion would represent significant enhancement to the pothole program.

Mr. Corey, responding to a question from Mr. Poling, confirmed that the funding described in the motion might be directed toward additional pothole and road improvements, such as the recent Arcadia Drive project.

Mr. Ruiz briefly discussed the context of the General Fund’s MBWC as it pertained to Mr.

Barofsky's motion and other motions that had been raised by Budget Committee members.

Mr. Ruiz referred to earlier comments made by Mr. Corey indicating that marginal working capital from the Public Works Road Fund rather than the General Fund might be used to fund the enhanced pothole program.

Mr. Ruiz cautioned the Budget Committee against committing MBWC funds as there was no guarantee that such funds would be available.

Mr. Clark expressed his appreciation of the creative solution suggested by Mr. Barofsky's motion.

Mr. Potwora referred to Mr. Ruiz's previous comment and noted that the passage of the motion would only designate the enhanced pothole program as a priority for funding from the MBWC.

Mr. Zelenka indicated his support of the motion and agreed with Mr. Clark that it was a very creative solution.

Ms. Taylor preferred to wait to see if the excess funds in the MBWC ever materialized before prioritizing or committing them to Public Works programs.

Mr. Barofsky, responding to a question from Mr. Shojai, noted that the decision process surrounding excess MBWC funds involved a supplemental budget process to be reviewed first by the City Manager and then by the City Council.

Mr. Shojai asked if there was an added value to designating the enhanced pothole program as a priority for excess MBWC funding before any such resources had actually presented themselves. Mr. Barofsky believed that providing the Budget Committee the specific and immediate opportunity to weigh in on the uses for excess MBWC was a significant added value. Mr. Ruiz added that the Budget Committee's discussion in that regard articulated a priority for MBWC and would lead to more conscientious application of such funds during any supplemental budget process.

Ms. Smith confirmed that the motion only identified a priority for MBWC funding for the enhanced pothole program and did not lock in funding from the MBWC regardless of other factors. Mr. Barofsky added that the motion only constituted a recommendation and that final approval of any applications of excess MBWC funding would rest with the City Council.

Mr. Poling hoped that adequate oversight policies would be incorporated into any MBWC funds directed to the enhanced pothole program to ensure that such funds were being applied appropriately.

Mr. Barofsky appreciated the Budget Committee's discussion and hoped the members would be in favor of his motion.

Mr. Barofsky called for a vote on his previously stated motion. The motion passed, 14:1 (Ms. Taylor voting in opposition).

Mr. Clark, seconded by Mr. Poling, moved to recommend to the City Council that \$300,000 in FY11 and \$300,000 in FY12 General Fund marginal beginning working capital (MBWC) from the general fund be transferred to the Parks budget to phase the development of Creekside Park.

Mr. Clark briefly described how the funding amounts in his motion had been determined. Mr. Clark noted again that the development of Creekside Park was the number one priority park development project on the capital improvement project list. He further restated that the development of Creekside Park had been postponed because revenues from the system development charges had never materialized.

Mr. Clark noted that the funds described in his motion did not subtract from the \$900,000 transfer to the General Capital Projects Fund but came directly from that amount because the \$900,000 transfer was for one-time capital projects.

Mr. Clark noted he had split the funding direction into FY11 and FY12 in order to minimize the impact to the capital project fund transfer. Mr. Clark further noted he had been informed by staff of the possibility that additional system development charge revenues might be used to match against the \$300,000 allocation for FY11 which would allow the development funding for Creekside Park to be fully committed in one year instead of two.

Mr. Zelenka asked if the transfer to the General Capital Projects Fund was typically used for capital projects or the maintenance of the City's capital assets. Ms. Medary responded that the transfer is used primarily for the preservation of the City's existing capital facilities.

Mr. Zelenka asked how much the City currently spent annually on capital asset preservation other than the \$900,000 transfer to the General Capital Projects Fund. Mr. Ruiz noted that exact figures were not available, but that staff would research the matter and contact Mr. Zelenka with further information.

Mr. Zelenka, responding to a question from Mr. Potwora, noted that some City funds for capital projects were only allowed to be directed toward the acquisition of property and not the development of properties.

Mr. Clark, responding to requests for further clarification from Ms. Holser and Mr. Potwora, noted that the funds directed in his motion would only come from MBWC funds and that such funding amounts might not ultimately be available.

Mr. Clark summarized his position regarding Creekside Park and noted that it was going to be built by 2014 at the latest. He hoped that the motion to use the MBWC for the development of Creekside Park would allow the City to fulfill its commitment to develop the park before that time.

Mr. Barofsky called for a vote on Mr. Clark's previously stated motion. The motion passed, 11:4 (Mr. McDonald, Mr. Shojai, Ms. Taylor and Mr. Brown voting in opposition).

Ms. Syrett noted that the City Manager had offered a motion in substitution of one she had

intended to raise regarding the funding of the Human Services Commission..

Ms. Syrett, seconded by Ms. Ortiz, moved that any remaining funds of the \$350,000 currently allocated for anticipated downsizing costs be used towards funding a \$100,000 for Human Services Commission (HSC) stabilization; and if those remaining funds do not equal or exceed \$100,000, the remainder shall be made up by the FY11 MBWC in the General Fund.

Ms. Syrett noted that the funds described in her motion would help shore up funding for the social service agencies of the HSC that provided critical services to persons in need in the community.

Ms. Syrett noted recent comments made by Mr. Ruiz that the full \$350,000 would not be needed for the various downsizing strategies that had been adopted by the City. She further noted that she did not anticipate that it would be necessary to go into the MBWC by any significant amount.

Ms. Ortiz hoped that the Committee members would support Ms. Syrett's motion. She further hoped that a report from the HSC would be provided and which would show exactly how any City funding assistance had been spent.

Ms. Syrett, responding to Ms. Ortiz's comment, stated that the motion as stated provided only for a general allocation of funds to the HSC.

Ms. Ortiz hoped that more specific language might be amended to the motion to indicate more specifically how the City's stabilization funding assistance would be applied.

Ms. Ortiz wanted to see more specific budget information from the HSC on how they intended to apply the funding assistance from the City. She further hoped that HSC might look to providing stabilization to agencies within the City of Eugene at a cost of approximately \$75,000.

Mr. Ortiz hoped that the HSC would make explicit in their annual budget information their use of City funding assistance for stabilization purposes.

Mr. Barofsky asked Ms. Ortiz if she wished to incorporate her position into a friendly amendment for Ms. Syrett's previously stated motion.

Ms. Ortiz offered a friendly amendment to Ms. Syrett's motion that the funding assistance called for therein would be expressly designated for HSC service agencies within the City of Eugene. Ms. Syrett accepted the friendly amendment.

Ms. Syrett noted she had accepted the friendly amendment to her motion with great reluctance and noted that the HSC was an organization that worked in concert with a variety of other regional social service agencies.

Ms. Ortiz noted that a budget breakdown for the HSC had been provided to the Committee members and pointed out that the City of Eugene had already made sizeable contributions to the HSC in the past.

Mr. Clark asked for clarification as to how the funding amounts in Ms. Syrett's motion would be prioritized in relation to the previous motions that had been passed and that would potentially utilize MBWC funds. Mr. Ruiz replied that the amount that would eventually come out of the MBWC would be small enough that it would not ultimately affect the other two items.

The Committee members briefly discussed how the funds described by Ms. Syrett's previously stated motion would be affected by the MBWC priorities indicated from the previously passed Committee motions.

Mr. Poling stated he could not support Ms. Syrett's motion. He appreciated the need that was filled and the services provided by the HSC, but maintained that the City had continued to put a substantial amount of money into the organization while the City of Springfield and Lane County had actually continued to decrease their funding contributions.

Mr. Barofsky asked if the funding to stabilize the HSC would go toward cost of living adjustments for HSC staff. Ms. Syrett did not have specific information as to the HSC's intended uses for the stabilization funding assistance, but acknowledged that HSC's administrative needs for the stabilization funds might include certain staffing areas.

Mr. Barofsky expressed that the funding sources specified by Ms. Syrett's motion would make it difficult to accurately determine the ultimate funding allocation amounts. He noted that the final figures regarding downsizing strategies and the total amount of the MBWC would not be known for quite some time. Mr. Ruiz noted that information regarding the actual costs of the City's downsizing would be available within 60 to 90 days.

Mr. Barofsky expressed hope that it would be made clear to the HSC that there was an opportunity for them to receive stabilization funding from the City but that the ultimate nature of that funding had not yet been accurately determined.

Ms. Holser generally supported Ms. Syrett's motion, but noted that the HSC had been founded to coordinate funding requests from regional non-profit groups and programs that were not necessarily confined to the City of Eugene.

Mr. Smith asked if HSC had a reserve fund. Ms. Syrett noted that HSC had a reserve fund but did not have more specific details available regarding how those funds might be used by the HSC.

Ms. Syrett, responding to a question from Mr. Smith, noted that any stabilization funding assistance from the City would be applied toward HSC programs and services in Eugene and would not go directly into the HSC fund balance reserves.

Mr. Smith believed that the City of Eugene had contributed from its General Fund "more than its share" with regard to the regular contributions made to the HSC.

Mr. Smith asked why the City did not use money that might be contributed to the HSC to fund its own social service programs.

Ms. Taylor asked the City Manager if the \$100,000 referenced in Ms. Syrett's motion might instead be used to retain City employees. Mr. Ruiz noted that the downsizing funds indicated in

the motion were one-time expenditures and could not be used to pay for ongoing staffing.

Ms. Taylor agreed with Mr. Smith's comment that the City of Eugene had continually paid more than its share in its contributions to the HSC.

Mr. Clark asked if the Buckley House was a part of the HSC's General Fund expenditures. Ms. Syrett confirmed that the Buckley House was one of the agencies for which Willamette Family Services received funding through the HSC.

Mr. Clark referenced previous City contributions to the Buckley House to keep that agency separate from the HSC's general funding and asked for further clarification from the City Manager regarding the funding status of the Buckley House. EPD Chief Pete Kerns noted that the Buckley House was fully funded according to Lane County's current fiscal year budget.

Ms. Syrett, responding to a question from Mr. Potwora, noted that the Relief Nursery was also funded through the HSC although the Relief Nursery had the ability seek funding independently.

Mr. Potwora noted that most non-profit organizations had seen significant funding reductions over the past year.

Ms. Syrett, responding to a question from Mr. Potwora, briefly described the funding processes in the City's downsizing strategies and the MBWC as they pertained to her motion.

Mr. Zelenka responded to a previous comment from Mr. Smith and explained why the City of Eugene did not typically provide direct social services to the community but rather contributed to organizations such as the HSC. He did not agree with statements from Budget Committee members who felt that the City of Eugene should be contributing less to the HSC because the City of Springfield and Lane County had decreased their contributions.

Mr. Zelenka agreed that the funding assistance for HSC stabilization should be provided with the specific caveat that the funds be applied in Eugene.

Ms. Syrett acknowledged that the City of Eugene had been very generous in its contributions to the HSC.

Ms. Syrett stated that Mr. Pryor had communicated his intention to focus on stabilizing the HSC funding in FY12 and that further one-time City contributions to HSC would not be necessary.

Ms. Syrett noted that the HSC was a much more efficient organization for providing social services in the region than the Cities of Eugene and Springfield and Lane County would be if they tried to provide social services independently from each another.

Planning and Development Executive Director AIC Scott Luell, in response to a question from Ms. Ortiz, noted that the only pass-through funding to the HSC from the City of Eugene came in the form of CDBG allocations and federal stimulus funding as part of the Homeless Prevention & Rapid Rehousing program.

Ms. Holser noted that the many non-profit social service agencies in the region were almost

entirely dependent on donation for their funding. She further noted that the regional social service agencies functioned as the social service delivery system for Eugene and Springfield and Lane County.

Ms. Syrett referred to Mr. Barofsky's concerns regarding the timing of the funding assistance and noted that HSC Director Steve Manela had indicated that the City's timing in relation to the additional City contribution of \$100,000 was acceptable to the HSC.

Ms. Syrett noted there was a good chance that the funding amounts for the HSC might ultimately come from unused funds from the City's FY11 downsizing strategy which were funds that had already been set aside, rather than from the marginal beginning working capital.

Ms. Syrett, responding to a question from Mr. Clark, stated that the HSC's Safe & Sound Youth Behavioral Health program had decreased significantly in recent years because that funding had only been provided for a limited period of time.

Staff revised Ms. Syrett's motion as amended to read: "Move that any remaining funds of the \$350,000 allocated for downsizing costs be used towards funding \$100,000 for HSC stabilization, to be designated for City of Eugene agencies. If those remaining funds do not equal \$100,000 the remainder shall be made up by the FY11 marginal beginning capital in the General Fund."

Mr. Barofsky called for a vote on Ms. Syrett's previously stated and amended motion. The motion passed, 10:5 (Mr. Shojai, Ms. Taylor, Mr. Smith, Mr. Clark and Mr. Poling voting in opposition).

III. BREAK

Mr. Barofsky called for a break at 7:37 p.m. and reconvened the meeting at 7:47 p.m.

IV. MOTIONS, DISCUSSION AND COMMITTEE ACTION CONTINUED

Mr. Barofsky noted that Ms. Ortiz and Ms. Cutsogeorge had excused themselves from the meeting during the break period in order to attend the Eugene 4J School Board Meeting.

Mr. Barofsky took an informal assessment of which motion regarding Lane County Animal Services would be discussed first.

Ms. Miller, seconded by Mr. Potwora, moved: 1) to restore \$100,000 to the proposed FY11 City of Eugene budget reduction to the Lane County Animal Services (LCAS) contract. This would entail a \$100,000 cut to the LCAS contract vs. a \$200,000 cut. The \$100,000 will be offset by delaying the contract for the operation of the second CAHOOTS van by an estimated five months. This would reduce the CAHOOTS contract for the second van from \$250,000 to \$150,000; 2) to recommend that the city of Eugene and City Council assess the animal services contract with Lane County and identify what the City wants from the contract; engage with

stakeholders in the comprehensive review of animal services during the next 12 months, with the goal of identifying greater efficiencies and leveraging of community resources for the delivery of animal service; and 3) to recommend that the City Manager and/or City Council ask the Municipal Court Judge to review the City's current licensing and enforcement fee schedules to determine if it would be appropriate to increase fees, and to implement recommended fee increases.

Mr. Barofsky stated that Ms. Miller's stated motion was actually comprised of one motion and two recommendations.

Ms. Miller noted the overwhelming amount of public input regarding the City's proposed cuts to its LCAS contract. Ms. Miller noted that the cuts would severely impact LCAS' ability to provide effective animal control services in Eugene and surrounding communities.

Ms. Miller noted she had specified a figure of \$100,000 in her motion down from \$200,000 and believed that such a cut would be commensurate with other recent cuts to various City service areas.

Ms. Miller briefly described the services provided by CAHOOTS vans and noted how the delayed contract for the second van would offset certain costs for LCAS.

Ms. Syrett noted that Ms. Miller's motion served as a compromise to her own intended motion to call for the full restoration of the \$200,000 funding contract to LCAS. Ms. Syrett offered a friendly amendment that any animal licensing fee increases would go to add additional funds to LCAS as a supplement to the \$100,000 specified in the motion.

Ms. Syrett asked if Mr. Ruiz concurred with the reference in Ms. Miller's motion that the delay of the contract for the second CAHOOTS van would reduce the total amount of that contract from \$250,000 to \$150,000 in FY11. Mr. Ruiz responded that reduction from the delayed contract would only be applied for the first year of the contract.

Ms. Syrett noted her support of the CAHOOTS program and felt they performed an excellent and critical service for the City of Eugene. She maintained that delaying the contract for the second CAHOOTS van would help LCAS maintain coherent animal control services in Eugene.

Ms. Potwora supported Ms. Miller's motion and noted that the relationship between the City of Eugene and Lane County with respect to LCAS was unclear to many community members outside the budget process. He maintained that Ms. Miller's motion represented an acceptable compromise and further noted that the recommendation to use of increased fees to cover LCAS funding cuts might serve as a means to expedite the review of the LCAS fee schedule.

Mr. McDonald asked that the motion be revised to more clearly indicate that it specified a delay of the contract for the second CAHOOTS van and not an elimination of that contract.

Mr. McDonald asked Ms. Holser and Ms. Syrett if they would still raise their respective motions if Ms. Miller's motion passed. Ms. Holser answered in the affirmative. Ms. Syrett answered in the negative.

Mr. Smith referred to the language of Ms. Miller's motion and asked if it was possible to ascertain what the City wanted from its LCAS contract. Ms. Medary noted that while the City generally wanted a reduction in the contract it did not want that reduction to result in a reduction of the number of LCAS enforcement officers. She suggested that the provisions of Ms. Miller's motion might buy the City more time to determine a more detailed answer and to explore alternative animal control policy models.

Mr. Smith hoped that the City's plan for determining more effective animal control policy models would include a plan to engage stakeholders more effectively.

Mr. Smith recognized that a second CAHOOTS van provide an important service enhancement and hoped that the contract for the van could be effectively implemented after the delay specified in Ms. Miller's motion.

Ms. Holser commented on the relationship between the City of Eugene and Lane County with respect to LCAS and noted that her intended motion calls for the restoration of the full \$200,000 reduction amount to the City's LCAS contract.

Ms. Taylor hesitated to vote on Ms. Miller's previously stated motion until Ms. Holser's intended motion could be discussed in more detail. She noted she had various concerns regarding the state of animal control services in the community. She suggested that further discussions were needed regarding the service levels the City expected from its contributions to LCAS.

Ms. Taylor suggested that additional funding sources should be identified in order to restore the City's full \$200,000 contract with LCAS.

Mr. Clark agreed with the provision of Ms. Miller's motion that called for a review of the City's animal enforcement fee schedules. He noted from various public testimony that the City and County representatives had different positions regarding the enforcement fee schedules and believed that Ms. Miller's motion represented an opportunity to align the City and County strategies.

Mr. Clark offered a friendly amendment to the final portion of Ms. Miller's motion to recommend that revenues from fee increases be added to the LCAS contract in addition to the restored \$100,000. Ms. Miller accepted Ms. Miller's previous friendly amendment with the consent of the second, Mr. Potwora.

Mr. Clark noted that the City Manager's budget proposal lifted the cap on the amount of revenue sharing that could be used as part of increased animal licensing efforts.

Mr. Zelenka supported Ms. Miller's motion and agreed that the elimination of the revenue sharing cap was an important first step towards addressing the LCAS funding issues.

Mr. Zelenka averred that LCAS was woefully understaffed.

Mr. Potwora clarified his understanding of the friendly amendment that had been offered and suggested that fee increases in conjunction with the City's \$100,000 contract might theoretically

be used to fund LCAS contract at current level for the remainder of the year.

Mr. Barofsky noted that animal control fines were not set by the City Manager but by the Municipal Court Judge and asked staff for further information regarding fines.

Central Services Executive Director Kristie Hammitt pointed out the differences between fee schedules and fine schedules with respect to City animal control policies. She noted that revenue from enforced fines handled through the Eugene Municipal Court did not return to LCAS or Lane County but rather stayed with the City of Eugene. She noted that the judicial discretion with respect to the amounts for animal control fines varied from case to case. She noted that Eugene Municipal Court judges actually had a very high collection rates on the animal control fines they had imposed.

Mr. Barofsky referred to Ms. Hammitt's comments and asked if the friendly amendment to Ms. Miller's motion would redirect Municipal Court animal control fines to Lane County. Mr. Ruiz responded that the motion might allow for a portion of each fine collected to be directed to both the City of Eugene and Lane County.

Ms. Hammitt noted that it might be very difficult to track how revenues from Municipal Court animal control fines were collected and distributed.

Mr. Barofsky asked if the administrative costs involved in tracking and/or distributing revenues from increased Municipal Court animal control fines might negate the amounts that were collected. Ms. Hammitt responded that the amount of animal control fines each year was very small.

Ms. Hammitt noted that the City Manager was responsible for setting animal control license fees.

Staff proposed revising the first portion of Ms. Miller's previously stated motion with the friendly amendment offered by Ms. Syrett to read: "Move to restore \$100,000 to the proposed FY11 City of Eugene budget for the Lane County Animal Services (LCAS) contract. This would entail a \$100,000 cut to the LCAS contract vs. a \$200,000 cut. The \$100,000 will be offset by delaying the contract for the operation of the second CAHOOTS van by an additional five months. This would reduce the CAHOOTS contract for the second van from \$250,000 to \$150,000. Recommend any fee increases be in addition to the \$100,000 to LCAS."

Mr. Syrett recognized Mr. Barofsky's concerns regarding the administrative costs of distributing revenues from animal control fines but hoped that the Municipal Court Judge would still review the fine schedule to address discrepancies between the City and County animal control fines.

Ms. Miller noted that she did not support an increase of animal licensing fees and noted that she would rescind her approval of Ms. Syrett's friendly amendment if it were only to direct fee increases to be added to the \$100,000 to LCAS.

Mr. Potwora commented on the number of animal control citations issued by Lane County and believed that the revenue components therein might be re-examined in order to provide for more comprehensive funding of LCAS.

Mr. Holser was concerned that representatives from LCAS and Lane County had not participated in the discussion. She noted that further more detailed discussion was needed between City and County representatives and further stated she would not support Ms. Miller's motion because it did not contain any Lane County components.

Ms. Holser was expressed her concern that she had seen no data on the effectiveness of the CAHOOTS program.

Ms. Miller reiterated that the implementation of the second CAHOOTS van after the intended delay would be funded on an ongoing basis.

Ms. Miller responded to Ms. Holser's previous comment and noted that the reference to stakeholder involvement in her motion implied that Lane County representatives would be involved in the comprehensive review of animal services called for therein.

Ms. Taylor asked if Ms. Holser could use her intended motion to identify an additional \$100,000 to go towards the City's LCAS contract from another funding source. Mr. Barofsky answered in the affirmative.

Ms. Miller, responding to a request for clarification from Mr. Ruiz, noted that her motion only called for a one-time restoration of the \$100,000 amount for the City's LCAS contract.

Mr. Barofsky called for a vote on Ms. Miller's previously stated motion as amended. The motion passed, 13:1 (Ms. Holser voting in opposition).

Mr. Barofsky asked staff to ensure that the recommendations from Ms. Miller's motion were also incorporated into the motion as it was forwarded to the City Council for approval.

Ms. Holser, seconded by Mr. Brown, moved that the City maintain for the proposed FY11 budget its current LCAS contract level. This motion is contingent upon formation, within 60 days, of an intergovernmental City/County working group composed of appropriate staff and appointed knowledgeable citizens. Their main purpose shall be to: 1) Identify new sources of funding, 2) Find greater enforcement opportunities; 3) Seek avenues for increased dissemination about licensing requirement and fines; and 4) Review the City Code with respect to increasing income by moderating penalty levels.

Ms. Holser maintained that her motion would create a joint City and County committee that could work out a plan to address animal control issues.

Ms. Taylor believed that the makeup and goals of a joint city/county group would best be determined at a later time. She noted she would support Ms. Holser's motion on the condition that she removes the four main purposes of her proposed cooperative group.

Ms. Taylor offered a friendly amendment to remove the four main purposes as listed in Ms. Holser's previously stated motion. Ms. Holser accepted the friendly amendment with the consent of the second, Mr. Brown.

Mr. Clark appreciated Ms. Holser's motion but noted he would not support it after Ms. Miller's previous motion had already been passed. He further noted that Ms. Holser's motion did not identify a funding source for the remainder of the LCAS contract.

Mr. Clark noted that Ms. Miller's previously stated motion had already addressed the staff intent to work with Lane County representatives to identify additional funding strategies.

Ms. Miller agreed with Mr. Clark's comment and noted that Ms. Holser's motion had not identified a funding source for the remainder of the LCAS contract.

Mr. Zelenka asked how Ms. Holser's reference to intergovernmental cooperation with Lane County differed from the references to stakeholder engagement from Ms. Miller's previous motion.

Mr. Zelenka believed that the provisions of Ms. Miller's previously passed motion represented an acceptable compromise.

Ms. Holser believed that the \$100,000 reduction in LCAS budget cuts provided for in Ms. Miller's motion was inadequate to fund City animal control services and represented a "slap in the face" to Lane County and LCAS. Ms. Holser suspected that Lane County and LCAS representatives would not be happy with the City's reduction in its LCAS contract.

Mr. Barofsky called for a vote on Ms. Holser's previously stated and amended motion. The motion failed, 2:12 (Mr. McDonald, Ms. Solomon, Mr. Shojai, Mr. Smith, Mr. Brown, Mr. Potwora, Ms. Miller, Mr. Zelenka, Mr. Clark, Ms. Syrett, Mr. Barofsky, Mr. Poling and Ms. Ortiz voting in opposition.)

Ms. Syrett withdrew her intended motion from further discussion.

Ms. Syrett, seconded by Mr. Poling, moved that the Budget Committee recommend to the Eugene City Council the FY11 Budget for the City of Eugene that consists of the Manager's Proposed FY11 Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior year capital projects, and the following amendments: Bulleted list of motions approved by the Budget Committee. The motion passed, 11:3 (Ms. Holser, Mr. Shojai and Mr. Brown voting in opposition).

Ms. Syrett, seconded by Mr. Brown, moved that the Budget Committee recommend to the Eugene City Council, acting as the Urban Renewal Agency Board of Directors, the FY11 Budget for the Eugene Urban Renewal Agency that consists of the City Manager's FY11 Proposed Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior year capital projects, and the following amendments: Bulleted list of motions approved by the Budget Committee. The motion passed, 9:5 (Mr. McDonald, Mr. Shojai, Ms. Taylor, Mr. Brown, and Ms. Holser voting in opposition).

Mr. Barofsky thanked the staff and Budget Committee efforts and recognized the sacrifices and the impacts that were represented by many aspects of the current budget processes.

V. ADJOURN

Mr. Ruiz thanked the Budget Committee for their efforts and stated that he looks forward to moving the Committee's recommendations on to the City Council.

Mr. Barofsky noted that an additional Budget Committee meeting and urban renewal discussion had been scheduled for May 27, 2010.

Mr. Clark commended Mr. Barofsky and Ms. Syrett for their work as Chair and Vice-chair of the Budget Committee, respectively.

Mr. Barofsky adjourned the meeting at 8:35 p.m.

(Recorded by Wade Hicks)