

MINUTES

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

May 27, 2010
5:30 p.m.

PRESENT: John Barofsky, Chair; George Brown, George Poling, Chris Pryor, Betty Taylor, Terry McDonald, Mary Ann Holser, Shanda Miller, Mike Clark, Andrea Ortiz, members; City Manager Jon Ruiz; Assistant City Manager Sarah Medary; City Attorney Glenn Klein; Police Chief Pete Kerns; Central Services Director Kristie Hammitt; Sue Cutsogeorge, Mia Cariaga, Pavel Gubanikhin, Finance Division.

ABSENT: Claire Syrett, Vice Chair; Joseph Potwora, Ramin Shojai, Doug Smith, Jennifer Solomon, Alan Zelenka, members.

Mr. Barofsky called the meeting of the Eugene Budget Committee to order at 5:32 p.m.

Mr. Barofsky noted that the meeting agenda includes a discussion of the recent City's downtown urban renewal plan amendment and the FY11 budget changes associated with this amendment.

Ms. Taylor arrived to the meeting at 5:33 p.m.

I. STAFF PRESENTATION

Finance Director Sue Cutsogeorge noted that the Urban Renewal Agency (URA) Board of Directors had approved the amendment to the downtown urban renewal plan on May 24, 2010.

Ms. Cutsogeorge commented that the Budget Committee had been tasked with providing recommendations to the City Council on the FY11 budget items pertaining to the downtown urban renewal plan amendment.

Ms. Cutsogeorge stated that the City Council had begun a process in 2009 to address local economic conditions that had resulted in an economic development statement which addressed economic opportunities in the downtown area.

Ms. Cutsogeorge commented on the four primary downtown strategy categories that had been determined by the City Council: Jobs & Redevelopment, Safety, Parking, and Attractions & Amenities.

Ms. Cutsogeorge reported that the City Council had met twelve times since July of 2009 to discuss the downtown urban renewal plan and the desired outcomes of that plan. She noted that various public engagement opportunities and City Council work sessions had also been devoted to the downtown urban renewal plan. She stated that Council had ultimately determined that an

amendment to the downtown urban renewal plan was the best option for funding downtown projects. She noted the council had found that the amendment was the least expensive course of action, required no additional taxes, did not harm local school districts, and required no trade-offs from the General Fund.

Ms. Cutsogeorge summarized the key features of the downtown urban renewal plan amendment. She noted that while the initial version of the plan amendment had included funding for improvements to the PeaceHealth facility at the intersection of 12th Avenue and Willamette Street in order to attract the development of the Veterans' Affairs clinic at that locations, that funding proposal had recently been dropped from the plan amendment.

Ms. Cutsogeorge reported on the primary elements of the Downtown Safety Initiative, the twelve point public safety plan for the downtown area that had been developed concurrently with the downtown urban renewal plan amendment

Ms. Cutsogeorge commented on the main budget changes resulting from the downtown urban renewal plan amendment. She noted that all of the budget items affecting the urban renewal district budget would be paid for from cash on hand and from issuing debt to be repaid from urban renewal funds over the next six years.

Ms. Cutsogeorge reported on the Downtown Safety Team that had been planned as part of the Council's downtown safety initiative and briefly described the urban renewal budget process by which additional officers had been hired as part of that team.

Ms. Cutsogeorge noted that additional jail beds might be instituted on a temporary basis while the downtown safety team was being formed and deployed. She stated that further information in that regard would be available once Eugene Police Chief Pete Kerns had moved forward with the implementation of the downtown safety team.

II. MOTIONS, DISCUSSION AND COMMITTEE ACTION

Ms. Clark restated that staff had directed the Budget Committee to recommend to the City Council that they approve the budget changes of the urban renewal plan amendment.

Mr. McDonald recognized that elements of the urban renewal district budget had been redirected to fund the additional officers on the downtown safety team and asked why such funds had not also been redirected to fund additional jail beds.

Chief Kerns responded to Mr. McDonald's comment and noted that he had prioritized the additional officers from the belief that the additional officers could, through problem-solving oriented policing, improve public safety in the downtown area in a much more proactive manner. Chief Kerns stated that while this approach did not necessarily represent the holistic approach that he and many others would have preferred, it did represent the best course of action until the funding sources for "wet" housing and additional jail beds could be determined.

Mr. McDonald believed that only five additional officers had been planned for the downtown safety team based on recent Budget Committee discussions. Mr. Ruiz corrected Mr. McDonald

and noted that the downtown safety initiative approved by the City Council had included nine additional officers.

Mr. Ruiz noted that two of the nine officers in the downtown safety team had been funded by the repurposing of existing funds and that the remaining officers are to be funded by the urban renewal budget funds that would be transferred through the City's Parking Fund. Mr. Ruiz further noted that four or five of the new officers would be funded by the amount transferred over from the Parking Fund to the City's General Fund, and that the funding package for the remaining new officers would be assembled later.

Mr. McDonald noted his concern that the "wet" housing and additional jail beds would not be funded after the amount of funding that had been dedicated to the new downtown police officers. Mr. Ruiz responded that the "wet" housing and additional jail beds were considered a part of the second phase of the Downtown Safety Initiative. He noted that a financing plan for the second phase of the Downtown Safety Initiative had not yet been determined.

Ms. Ortiz responded to Mr. McDonald's comments and noted her recollection that the funding for "wet" housing had not been discussed during any of the previous Budget Committee discussions.

Mr. McDonald and Ms. Ortiz briefly discussed how the topic of "wet" housing had been addressed in previous Budget Committee meetings.

Ms. Ortiz asked for an update on the City's downtown funding assistance for the Lane Community College (LCC) downtown campus project development. Mr. Ruiz noted that the City remained committed to providing \$8 million of funding assistance to the LCC, but that the City had ultimately chosen not to purchase LCC's current downtown facility as part of that funding assistance per the Council's direction.

Ms. Holser noted her concern that the funding for the additional downtown police officers for the downtown safety team would leave the City with a number of suspects under arrest with no place to put them. She worried that the downtown area would be "top heavy" with police under the current strategy.

Chief Kerns responded to Ms. Holser's comments and noted that the intention under the current strategy was to use the additional downtown police officers in a manner that would improve public safety through the use of proactive and problem-solving police practices that would not necessarily increase the number of arrested individuals. He noted that several police officers such as Sergeant Terry Fitzpatrick had worked closely with various downtown business representatives in such a manner and that their efforts had yielded very positive results.

Mr. Ruiz, responding to a question from Ms. Miller, noted that LCC had secured development funding for an 80,000 square foot facility. He noted that LCC had hoped to construct a 90,000 square foot facility and that LCC President Mary Spilde was confident that funding could be secured for the larger space.

Mr. Ruiz, responding to a question from Ms. Miller, noted that some elements of the Farmers Market improvements in the downtown urban renewal plan amendment were similar to those in the City's older park blocks master plan.

Mr. Ruiz, responding to a question from Ms. Miller, noted that the reconstruction on the Centre Court Building redevelopment project had begun recently.

Mr. Barofsky asked for further clarifications regarding the administrative overhead expenditures associated with the downtown urban renewal plan amendment. Mr. Cutsogeorge responded that the administrative costs for the various downtown urban renewal projects were due to the significant amount of staff and legal support involved in the execution of the projects. She projected that for FY11, FY12 and FY13 staff would be putting a great deal of effort into implementing the projects and that the administrative costs associated with the urban renewal district were expected to decrease after that period.

Mr. Barofsky asked how EWEB's steam heat conversion would affect the downtown urban renewal plan and noted that out of the 150 properties in the downtown area, 35 would require some sort of a steam heat conversion effort. Mr. Barofsky further asked why data and information regarding the steam heat conversion had not been included in the downtown urban renewal plan.

Ms. Cutsogeorge responded to Mr. Barofsky's comments and noted that the City had received between \$1.5 million and \$2 million in the Energy Efficiency and Conservation Block Grant (EECBG) funds that will be used to address the upcoming steam conversion. She noted that the City continued to coordinate with EWEB and State representatives in order to provide financing for downtown business owners to retrofit their existing steam heating systems.

Mr. Brown believed that the public safety strategies in the downtown urban renewal plan were unbalanced and noted his suggestion that the urban renewal district be discontinued with the resulting funds to be applied to public safety concerns.

Mr. Clark noted he was glad to see the first steps of the downtown safety initiative were being taken. He further commented that the downtown urban renewal plan had begun with the polling that had been conducted as part of the Eugene Counts process and that the three most prominent unsolicited public suggestions from that polling had referred to public safety, free parking and changes to the City Code to facilitate increased downtown private development.

Mr. Clark noted that Mr. Ruiz had informed him that discussions regarding increased free parking downtown would be incorporated along with the "wet" housing discussions during the second phase of the downtown urban renewal plan. Mr. Clark reiterated his position that free parking was an integral part of the City's downtown urban renewal strategies.

Mr. Pryor categorically supported the proposals of the downtown safety initiative but recognized that certain elements of that initiative would have to be phased in incrementally. He noted that he supported the proposed public safety elements of the downtown urban renewal plan with the recognition that those elements were a short-term strategy with additional elements such as wet-housing and additional jail beds to be integrated later.

Mr. McDonald believed that the Farmers Market improvement strategies of the downtown urban renewal plan amendment were insufficient and represented a significant underinvestment in one of the few proven revenue -generating downtown areas.

Mr. McDonald noted his disappointment that funds that had originally been directed toward the new Veterans Affairs clinic had been repurposed to public safety areas of the downtown urban renewal plan rather than the Farmers Market.

Ms. Ortiz believed that while the public safety elements of the amendment would be focused on the downtown area, it would be reasonable to assume that those elements would also positively affect the public safety concerns of neighborhoods near the downtown area.

Ms. Holser noted her concern regarding the manner in which the funding for additional downtown police officers would be moved from the downtown urban renewal district to the Parking Fund and then to the City's General Fund.

Ms. Holser stated that parking needs to be a priority for downtown improvement.

Mr. Poling thanked Mr. Clark for mentioning the three areas indicated by the Eugene Counts polling process.

Mr. Poling referred to Mr. McDonald's earlier comments and noted that the City had repurposed the Veterans Affairs clinic urban renewal funding toward public safety based on specific instructions the Council had given to the City Manager regarding the project areas to which such funds could be directed. Mr. Poling believed that the Council would have done a disservice to the community if it had redirected the downtown urban renewal funds from the Veterans Affairs clinic to the Farmers Market.

Mr. Barofsky asked how the Downtown Safety Initiative would be used to address property crimes. Chief Kerns responded that in addition to directly addressing property crimes in the downtown area, many elements of the downtown safety initiative would free up certain other police resources that could then be used to address property crimes throughout the City.

Mr. Barofsky stated that the implementation of the CAHOOTS van had been delayed as a result of previous Budget Committee deliberations and hoped that any additional unused funding from the urban renewal district might be used to put that project back to its original timeline. Chief Kerns responded that in relation to the hiring of the new downtown police officers there did not appear to him that there was any real benefit in implementing the CAHOOTS van any earlier.

Mr. Barofsky maintained that the implementation of the CAHOOTS van would make the Budget Committee more comfortable with its recent decision to recommend animal control services funding reductions.

Mr. Barofsky asked for further information regarding the oversight committee provisions of the downtown urban renewal plan amendment and expressed hope that any such committee would carefully examine the breakdowns of the administrative costs associated with the downtown urban renewal plan.

Ms. Holser asked for further clarification regarding the administrative costs associated with the downtown urban renewal plan amendment, specifically with regard to how much of those costs came from the City's General Fund and how much of those costs came from URA funds. Ms. Cutsogeorge responded that no staff was being added for the Urban Renewal Agency, but that the

City staff tasked with facilitating the execution of the downtown urban renewal projects were paid from urban renewal funds through an intergovernmental agreement.

Mr. Ruiz noted that the staff that worked on the urban renewal projects were City employees and would remain City employees for the duration of those projects. He stated that there would be no changes in the number of the City's positions as a result of the downtown urban renewal plan amendment.

Mr. Ruiz briefly described the manner in which the urban renewal district funds would be used to pay the City staff for their work to facilitate the execution of the downtown projects.

Mr. Poling, seconded by Mr. Clark, moved to add the budget changes described in Attachment A to the recommended amendments to the City Manager's FY11 proposed budget. The motion failed 6:4 (Mr. McDonald, Ms. Holser, Ms. Taylor and Mr. Brown voting in opposition), as amending FY11 budget recommendation would have required the majority of the Budget Committee members.

III. ADJOURN

Mr. Barofsky adjourned the meeting at 6:21 p.m.

(Recorded by Wade Hicks)