

# MINUTES

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

February 2, 2011  
5:30 p.m.

**PRESENT:** Claire Syrett, Chair; Shanda Miller, Vice Chair; John Barofsky, George Brown, Mike Clark, Pat Farr, Mary Ann Holser, Andrea Ortiz, George Poling, Chris Pryor, Ramin Shojai, Doug Smith, Betty Taylor, members; Mayor Kitty Piercy; City Manager Jon Ruiz; Assistant City Manager/Planning and Development Director Sarah Medary; Central Services Director Kristi Hammitt; Police Chief Pete Kerns; Public Works Director Kurt Corey; Library, Recreation, and Cultural Services Director Renee Grube; Mia Carriaga, Sue Cutso-george, Larry Hill, Pavel Gubanikhin, Mike Penwell, Meredith Fox, Central Services Department; Mark Schoening, Public Works Department; Mike Magee, Library, Recreation, and Cultural Services; Scott Luell, Planning and Development Department.

**ABSENT:** Alan Zelenka, member.

Mr. Barofsky called the meeting of the Eugene Budget Committee to order. He reported that Joe Potwora had moved out of the city limits and was no longer a member of the committee, leaving the committee with 15 members.

## **I. COMMITTEE CHAIR AND VICE CHAIR ELECTION**

Ms. Ortiz, seconded by Mr. Pryor, moved to nominate Ms. Syrett as chair of the Budget Committee.

Mr. McDonald, seconded by Ms. Ortiz, moved to close nominations. The motion passed unanimously, 14:0.

Ms. Syrett was elected chair of the committee by a unanimous vote.

Ms. Syrett, seconded by Ms. Ortiz, moved to nominate Ms. Miller as vice chair of the Budget Committee.

Mr. McDonald, seconded by Mr. Poling, moved to close nominations. The motion passed unanimously, 14:0.

Ms. Miller was elected vice chair of the committee by a unanimous vote.

Ms. Ortiz thanked Mr. Barofsky for his work as committee chair. Mr. Barofsky received a round of applause.

## **II. PUBLIC COMMENT**

There was no one present who wished to offer comment.

### **III. MINUTES APPROVAL**

Mr. Clark, seconded by Mr. Barofsky, moved to approve the committee minutes for the meetings of May 5, May 12, May 17, May 19, and May 27, 2010. The motion passed 13:1:0; Mr. Farr abstained from the vote because he was not at the meetings in question.

### **IV. STAFF PRESENTATION OF THE CAPITAL IMPROVEMENT PROGRAM**

Mr. Gubanikhin, Mr. Schoening, and Mr. Penwell provided a PowerPoint presentation on the City's proposed FY12-17 Capital Improvement Program (CIP). The presentation highlighted the role of the CIP as a planning and budget document and identified future opportunities for public comment prior to adoption of the CIP by the City Council on February 28, 2011. The presentation also included information about projects in program areas managed by the Public Works Department and projects related to City-owned buildings and facilities.

### **V. COMMITTEE DISCUSSION**

Ms. Syrett solicited committee questions and comments.

Mr. Farr determined from Ms. Hammitt that there was about \$6 million left in the Facility Reserve Fund for a new city hall.

Responding to a question from Mr. Barofsky, Mr. Penwell indicated staff planned to use \$300,000 in Telecommunication Funds to run fiber to the new police facility at 300 Country Club Road and he anticipated staff would evaluate the telecommunications infrastructure within the building to see if it met the criteria for use of the fund.

At the request of Mr. Barofsky, Mr. Penwell reviewed the funding dedicated to general facilities maintenance.

At the request of Mr. Farr, Mr. Schoening confirmed that federal funding for the airport came directly to the City of Eugene.

Ms. Syrett reminded the committee that she served on the Airport Advisory Committee, and she invited questions about that committee's processes. She assured the committee there were citizen eyes on the airport on a regular basis.

At the request of Ms. Holser, Mr. Penwell reviewed the City's maintenance categories and confirmed that the City lacked the money to carry out all projects on the list. City Manager Jon Ruiz emphasized that it was critical for the City to find a way to close the maintenance funding gap.

Mr. Barofsky suggested that the transfer of \$900,000 in the General Fund marginal beginning working capital to the General Capital Projects Fund should be highlighted in the staff presentation or otherwise be more clearly called out in the CIP, as well as incorporated into the annual budget.

Mr. Barofsky questioned the City's construction of the car wash for airport rental cars, paid for by fees charged to the rental car companies. Ms. Syrett reported that the proposal for a new car wash was presented to the rental car agencies and the facility was part of the parking lot redesign. The new car wash was more environmentally sound, and rental agencies serving the airport agreed to charge an additional amount to patrons to cover the costs.

Mr. Clark asked staff what the City's long-term liability was in regard to the drywells in the Santa Clara/River Road area. Mr. Schoening indicated the City is required to decommission drywells as part of the State stormwater permit. In some cases, the separation between the bottom of the drywells and the groundwater was nominal or non-existent, so Mr. Schoening anticipated the City would decommission those drywells and replace them with other stormwater systems, such as infiltration or piped systems. Staff is anticipating that addressing drywell decommissioning in the River Road/Santa Clara and other basins will require \$1 million per year over the next 10 years. Responding to a follow-up question from Mr. Clark, Mr. Schoening clarified that the City would not acquire privately owned facilities, which were the responsibility of the property owner. The County would secure its own stormwater permit and is responsible for its own drywells. He added that the last time the jurisdiction of roads was transferred from Lane County to the City of Eugene, City staff had excluded any roads served by drywells.

Responding to a question from Ms. Miller, Mr. Schoening explained the structure of the City's systems development charge.

At the request of Ms. Holser, Mr. Luell reviewed the funding structure for the City's parking facilities and confirmed that parking fees generally went to the Parking Fund. Ms. Holser asked if staff would characterize the fund as stable. City Manager Ruiz indicated that staff was in the process of reviewing the fund to ensure its long-term financial stability as it was not sustainable at current levels of revenues and expenditures.

Mr. Farr asked how the City's System Development Charges (SDCs) compared to other similarly sized cities in Oregon in terms of the percentage of the parks and open space capital projects covered by those revenues. Mr. Schoening indicated that this information is not immediately available, but that the staff will follow up on this question.

Ms. Ortiz referred to the Blair and Van Buren Active Transportation Corridor and the Jessen Path and how those projects could be moved to funded status. Mr. Schoening said the projects in question were dependent on grant funding. The Oregon Department of Transportation was currently soliciting public comments on the grant applications that had been submitted, and the agency had eliminated the potential of funding for the Blair and Van Buren project. He believed the City would have more information about funding for the Jessen Path before the capital budget was adopted for fiscal year 2012.

Ms. Ortiz asked how the projects could be funded in the absence of grant dollars. Mr. Schoening said the City submitted applications for projects whenever a grant opportunity existed and some applications were successful while others were not. The City tried to submit the projects that best matched the criteria and did not have another viable funding source for such projects. Ms. Ortiz asked about the potential a local improvement district could be formed to fix the roads in question. Mr. Schoening acknowledged that was one funding mechanism; Community Development Block Grant dollars or left-over bond money were other possibilities.

Mr. Barofsky recommended that the City increase funding for the neighborhood livability capital projects.

Mr. Clark determined from Mr. Schoening that it was typical for SDCs to be based on a 20-year planning horizon. Mr. Schoening further clarified that the transportation SDCs are based on the level of service rather than a project list; the 2009 legislature had changed the law so that all SDCs must be based on a project list. The City would revise its SDC methodology accordingly. Mr. Clark asked if SDCs were refunded when a project on the list did not get built. Mr. Schoening stated that SDCs would not be refunded in this case. The City periodically updates the SDC methodology and SDC project list to ensure that it matched current conditions. Mr. Clark asked if staff considered there was a fair nexus between the SDCs and the project list. Mr. Schoening said the State legislature modified SDCs each time it met and the law got more and more proscriptive to ensure that nexus existed. City Manager Ruiz added that one of the recommendations he would make through the Envision Eugene process was for geographically variable SDCs, which would further refine the methodology as it regarded the nexus between the SDC and the projects that were constructed.

Ms. Holser asked if the school boards impose education SDCs. Mr. Schoening indicated that Bethel school district has an SDC but the Eugene 4J School District does not.

Ms. Holser questioned how the City would fit a two-way bicycle lane on Alder Street. Mr. Schoening noted that there were already two bicycle lanes on a large segment of Alder Street and he anticipated the new facility would reduce the number of conflicts between cars and bicyclists.

Mr. Shojai questioned if City staff attempted to quantify the risk associated with the projects included in the FY12-17 CIP. He suggested that reviewing the list from a risk point of view could help to prioritize the list in a more logical way. Otherwise, the list seemed to be just a bunch of projects, making it difficult for citizens to comment upon them. Mr. Schoening explained that staff was following council direction placing a high priority on preservation when it came to transportation projects, and staff went through a similar analysis in other categories. Mr. Shojai asked if that meant that all the projects in the CIP were of equal importance. Mr. Schoening believed that there was an element of choice to emphasizing preservation, but pointed out there was also a financial impact from a failure to address preservation. Other policies contributed to the listing of projects, such as the Jessen project previously mentioned, which spoke to the City's desire for a more walkable community and greater availability of alternative transportation modes.

Ms. Syrett called for a brief break.

Mr. Barofsky reiterated his concern that the City continued to defer maintenance on City-owned buildings and infrastructure. He believed that the City was heading down a dangerous path.

Ms. Holser concurred with Mr. Barofsky.

## **VI. COMMITTEE RECOMMENDATION TO THE CITY COUNCIL ON DRAFT FY12-17 CIP**

Mr. McDonald, seconded by Mr. Poling, moved to recommend the draft CIP to the City Council. The motion passed, 12:1:1; Mr. Shojai voting no and Ms. Holser abstaining from the vote.

## **VII. ADJOURN**

Ms. Syrett noted that there were three upcoming vacancies on the committee and one current vacancy. She asked that staff check on Mr. Barofsky's term expiration date, and urged the committee members to encourage other residents to apply.

Ms. Syrett noted that the February 16 committee meeting was rescheduled to March 9, 2011, and the meeting would be held in the McNutt Room.

Ms. Syrett adjourned the meeting at 7:20 p.m.

*(Recorded by Kimberly Young)*