



MEMORANDUM

City of Eugene
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(541) 682-5408
www.ci.eugene.or.us

Date: April 21, 2011
To: Budget Committee Members
From: Mia Cariaga, Assistant Finance Director, (541) 682-5408
Subject: FY12 Proposed Budget Materials

The FY12 Budget process will commence at the Wednesday, April 27th Budget Committee meeting when City Manager, Jon Ruiz presents the FY12 Proposed Budget. This packet of materials includes the following:

- The FY12 Proposed Budget notebook
- An agenda for the April 27, 2011 meeting
- Minutes from the February 2, 2011 meeting
- The 2011 Public Works Department Annual Plan

There aren't any major changes from FY11 to the presentation or format of the FY12 Proposed Budget document.

Please review the draft minutes from 2/2/11 Budget Committee meeting. If you have any edits to those minutes, please send them to Pavel Gubanikhin electronically at cefnpeg@ci.eugene.or.us prior to next Wednesday's meeting and he will compile a list of changes for the committee's review and approval.

We look forward to discussing the FY12 Proposed Budget with you. If you are missing materials, have questions about the packet or meeting dates, know that you will not be attending one or more of the meetings, or need other help please call me at (541) 682-5408.

NOTE LIBRARY LOCATION!!!



A G E N D A
EUGENE BUDGET COMMITTEE
Wednesday, April 27, 2011
Downtown Library, Bascom-Tykeson Room
100 West 10th Avenue, 5:30 p.m. – 7:30 p.m.

- 5:30-5:40 p.m. I. OPENING REMARKS
Claire Syrett, Chair
- 5:40-5:45 p.m. II. MINUTES APPROVAL
Budget Committee Minutes – February 2, 2011
ACTION REQUIRED
- 5:45-6:05 p.m. III. GENERAL FUND FORECAST UPDATE
Finance Staff
- 6:05-6:40 p.m. IV. CITY MANAGER’S FY12 PROPOSED BUDGET PRESENTATION
Jon Ruiz, City Manager
- 6:40-7:00 p.m. V. INFORMATION REQUESTS, NEXT STEPS
Committee Discussion
- 7:00-7:30 p.m. IV. PUBLIC COMMENT
This is an opportunity for members of the public to comment on budget priorities. Comments will be limited to three minutes per person and may be less, depending on the number of persons wishing to comment. Budget Committee members may ask clarifying questions of those testifying and will be given an opportunity to comment on what they have heard from the public at the end of the public comment time.
- 7:30 p.m. ADJOURN

We are committed to access for all participants. All events are held in wheelchair accessible rooms. For individuals who are hearing impaired, an interpreter, note taker or FM assistive listening system (if available) can be provided with one week notice prior to the event. Materials can be made available in alternate formats if requested in advance and are available on the City’s website at www.eugene-or.gov/budget. To arrange for services or for more information about the session, please contact the Finance Division at (541) 682-5512.

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)



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MEMORANDUM

Date: April 27, 2011
To: Budget Committee Members
From: Mia Cariaga, Assistant Finance Director, (541) 682-5408
Subject: Follow Up Items

This memo includes the following:

- FY12 Proposed Budget document corrections and a replacement page;
- Requests for information received prior to the April 27th Budget Committee meeting;
- Correspondence from committee members.

Please let me know if you have any questions or need further assistance. Thank you.

Budget Document Changes

1. Page A.8 (Budget Message Attachment B): In the Parking Fund box, first sentence of first paragraph, change deficit amount from \$600,000 to \$111,000.
2. Page F.70 (Parking Fund Overview): In the section headed "For FY12:", first sentence of first paragraph, change deficit amount from \$600,000 to \$111,000.
3. Replace Page F.72 (Parking Fund Forecast) with the attached version.

Requests for Information

| # | Date Requested | BC Member | Question/Information Request | Department |
|----|----------------|-----------|--|------------|
| 1. | 4/4/11 | Barofsky | Will the reduction in Parking Fund revenue impact the annual transfer to the General Fund? | CS |

Both the General Fund and Parking Fund forecasts assume that parking will make an annual transfer to the General Fund ongoing. At this time there is no plan to discontinue or reduce the transfer.

| # | Date Requested | BC Member | Question/Information Request | Department |
|----|----------------|-----------|--|------------|
| 2. | 4/6/11 | Smith | Request for attendance recorded at Amazon pool for May, September, October for calendar year 2010 and the different programs attached to those attendance figures. | LRCS |

Amazon Pool Attendance:

May 24 opening day to June 20th - Pre-season

| | | |
|--------------------|---------------------------------------|-------|
| Partner Activities | includes swim teams, water polo teams | 916 |
| ARA Activities | includes lap swim | 326 |
| Rental Activities | includes school rentals | 370 |
| Totals | | 1,612 |

June 21 first day for full operations to September 6th Labor Day- Main/summer season

| | | |
|--------------------|---|--------|
| Class Activities | includes swim lessons, water fitness, springboard diving, etc | 15,653 |
| Partner Activities | includes swim teams, water polo teams | 3,642 |
| ARA Activities | includes lap swim, recreation swim, family swims, camps | 56,268 |
| Rental Activities | includes private rentals | 2,864 |
| Totals | | 78,427 |

September 7- October 31- Fall season

| | | |
|--------------------|---|-------|
| Class Activities | includes swim lessons, water fitness, etc | 353 |
| Partner Activities | includes swim teams, water polo teams | 5,384 |
| ARA Activities | includes lap swim, camps | 2,656 |
| Totals | | 8,393 |

Totals for FY10 Amazon Pool

88,432

| # | Date Requested | BC Member | Question/Information Request | Department |
|----|----------------|-----------|--|------------|
| 3. | 4/14/11 | Smith | Request for departmental budgets for "extra help." | CS |

Please see next page for the extra help expenditures for all City funds broken down by service category.

| Expense Object | Service Category | FY10 Actual Expenditures | FY11 Adopted Budget | FY12 Proposed Budget |
|-------------------------------|---|---------------------------------|----------------------------|-----------------------------|
| 52100 – Extra Help | 01 Governmental Services | \$15,669 | \$13,000 | \$13,000 |
| | 07 Information Technology Service | \$41,880 | \$8,000 | \$0 |
| | 08 Human Resource Services | \$22,590 | \$18,409 | \$18,000 |
| | 15 Metro and Community Planning | \$0 | \$0 | \$50,000 |
| | 20 Solid Waste/Recycling & Bus. Lic. | \$2,141 | \$0 | \$0 |
| | 25 Police Patrol Services | \$74,159 | \$12 | \$27,500 |
| | 26 Police Investigations | \$17,522 | \$0 | \$0 |
| | 27 Call Taking & Dispatch | \$38,536 | \$31,800 | \$32,754 |
| | 28 Police Records Management and Analysis | \$270 | \$0 | \$0 |
| | 34 Library | \$148 | \$22,000 | \$30,000 |
| | 35 Youth & Family Recreation | \$893,499 | \$1,018,092 | \$986,813 |
| | 40 Wastewater Collection & Treatment | \$11,699 | \$12,500 | \$9,300 |
| | 41 Stormwater | \$1,723 | \$15,504 | \$10,850 |
| | 43 Fleet & Radio Communications | \$0 | \$100,000 | \$100,000 |
| | 44 Infrastructure Project and Info Mgmt | \$64,861 | \$57,000 | \$28,950 |
| | 50 Greater Downtown Services | \$6,331 | \$643 | \$0 |
| | 51 Construction Permits | \$0 | \$2,200 | \$2,200 |
| | 53 Affordable Housing/Job Creation | \$31,532 | \$0 | \$0 |
| | 54 Transportation | \$18,342 | \$38,000 | \$37,090 |
| | 55 Airport | \$4,092 | \$0 | \$0 |
| | 56 Fire and Emergency Medical Services | \$3,847 | \$60,932 | \$62,150 |
| | 58 Cultural Services | \$164,721 | \$349,000 | \$345,000 |
| | 60 Athletics | \$32,855 | \$56,872 | \$58,131 |
| | 61 Aquatics | \$503,002 | \$548,183 | \$566,168 |
| 65 Senior Programs | \$96,573 | \$112,938 | \$113,235 | |
| 66 Adaptive Recreation | \$69,468 | \$89,372 | \$87,259 | |
| 84 LRCS Administration | \$503 | \$0 | \$0 | |
| 86 Police Dept Administration | \$9,876 | \$0 | \$0 | |
| 52100 Extra Help Total | | \$2,125,838 | \$2,554,457 | \$2,578,400 |

Budget Committee Member Correspondence

From: John Barofsky [barofskybudgetcomm@gmail.com]
Sent: Thursday, April 14, 2011 11:22 AM
To: CARIAGA Mia
Subject: Re: Save the Dates

Hello Mia, i am sorry to say that I will not be able to attend the final budget committee meeting on may 18, i have an outstanding commitment. I am disappointed that i will not be able to attend, the fact that the dates were announced later this year were unfortunate however I hope there will be an opportunity for me to have an input on this years budget. please share this message with the other members of the committee and staff thanks John Barofsky

On Mon, Apr 11, 2011 at 4:54 PM, CARIAGA Mia <Mia.Cariaga@ci.eugene.or.us> wrote:
Dear Budget Committee Members,

Below are the dates, times and locations for Budget Committee meetings on the FY12 Proposed Budget. Please let me know if you have any questions or cannot attend any of the following. Thank you.

City Manager's Budget Message
Eugene Public Library, Bascom-Tykeson Room
100 West 10th Avenue, First Floor
Wednesday, April 27 * 5:30 pm

Work Sessions
Eugene Public Library, Bascom-Tykeson Room
100 West 10th Avenue, First Floor
Tuesday, May 10 * 5:30 pm
Wednesday, May 11 * 5:30 pm

Budget Committee Work Session and Public Hearing
Eugene City Hall, 777 Pearl Street
Tuesday, May 17 * Work Session - 5:30 pm (McNutt Room)
Tuesday, May 17 * Public Hearing - 7:30 pm (Council Chamber)

Budget Committee Action on FY12 Budget
Eugene Public Library, Bascom-Tykeson Room
100 West 10th Avenue, First Floor
Wednesday, May 18 * 5:30 pm

City Council Budget Public Hearing
Eugene City Hall, 777 Pearl Street, Council Chamber
Monday, June 20 * 7:30 pm

City Council Budget Action
Eugene City Hall, 777 Pearl Street, Council Chamber
Monday, June 27 * 7:30 pm

Mia Cariaga
City of Eugene | Finance

Parking Fund (520) - Six-Year Financial Forecast, FY12 through FY17 Executive Summary

Major Issues for this Fund

This fund faces challenges over the forecast period. Operating revenues are primarily fees and are linked to the economic vitality of the campus and downtown areas. The fund currently is investing in downtown Eugene with a 12-block on-street free parking zone for FY11-FY12; estimated total foregone meter revenue is \$440,000 over two years. Payment for debt service on the Broadway Garage began in FY11, funded by transfers from Urban Renewal Funds. Parking structure condition assessment report notes \$4.3 million in capital needs over the next 5 years. Additional capital maintenance projects scheduled FY13 through FY15 may be delayed due to lack of resources.

| | Actual FY09 | Actual FY10 | Estimated FY11 | Proposed FY12 | FY13 | FY14 | Forecast | | |
|---|------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | | | | | | FY15 | FY16 | FY17 |
| Resources (1) | | | | | | | | | |
| Beginning Working Capital Revenue | 2,999,781 | 2,519,755 | 1,999,027 | 391,912 | 280,713 | - | - | - | 21,337 |
| Parking Revenue (2) | 2,854,009 | 3,025,590 | 3,575,616 | 3,884,689 | 3,974,600 | 4,070,900 | 4,152,400 | 4,235,500 | 4,320,400 |
| Citation Revenue | 833,642 | 860,873 | 1,017,220 | 1,117,200 | 1,117,200 | 1,117,200 | 1,117,200 | 1,117,200 | 1,117,200 |
| Transfer from Urban Renewal Agency | | | 740,507 | 760,000 | 771,053 | 783,575 | 783,575 | 783,575 | 806,755 |
| Other Revenue (3),(4) | 738,977 | 604,347 | 808,105 | 552,900 | 746,451 | 761,238 | 777,741 | 794,537 | 812,154 |
| Total Revenues | 4,426,628 | 4,490,810 | 6,141,448 | 6,314,789 | 6,609,304 | 6,732,913 | 6,830,916 | 6,944,337 | 7,056,509 |
| | 7,426,409 | 7,010,565 | 8,140,475 | 6,706,701 | 6,890,017 | 6,732,913 | 6,830,916 | 6,944,337 | 7,077,846 |
| Requirements (5) | | | | | | | | | |
| Expenditures | | | | | | | | | |
| Department Operating | 3,252,239 | 3,356,757 | 3,594,756 | 3,511,362 | 3,581,700 | 3,653,400 | 3,726,700 | 3,801,400 | 3,877,500 |
| Capital Expenditures (6) | 206,002 | 73,118 | 1,290,000 | 50,000 | 2,515,000 | 300,000 | 915,000 | 50,000 | 50,000 |
| Non-Departmental | | | | | | | | | |
| Debt Service | 696,513 | 717,663 | 740,507 | 759,913 | 771,053 | 783,575 | 783,575 | 797,100 | 806,755 |
| General Fund Transfer (Debt Svc) | | | 740,000 | 759,913 | 771,053 | 783,575 | 783,575 | 797,100 | 806,755 |
| General Fund Transfer (General Ops) | 560,900 | 617,000 | 1,129,300 | 1,137,800 | 1,182,200 | 1,211,700 | 1,238,800 | 1,253,100 | 1,265,700 |
| Other Transfers (CSA) | 191,000 | 247,000 | 254,000 | 207,000 | 211,200 | 215,500 | 219,900 | 224,300 | 228,800 |
| Total Non-Departmental | 1,448,413 | 1,581,663 | 2,863,807 | 2,864,626 | 2,935,506 | 2,994,350 | 3,025,850 | 3,071,600 | 3,108,010 |
| Total Expenditures | 4,906,654 | 5,011,538 | 7,748,563 | 6,425,988 | 9,032,206 | 6,947,750 | 7,667,550 | 6,923,000 | 7,035,510 |
| Annual Surplus/(Deficit) | (480,026) | (520,728) | (1,607,115) | (111,199) | (2,422,902) | (214,837) | (836,634) | 21,337 | 20,999 |
| Ending Fund Balance | 2,519,755 | 1,999,027 | 391,912 | 280,713 | (2,142,189) | (214,837) | (836,634) | 21,337 | 42,336 |
| Total Requirements | 7,426,409 | 7,010,565 | 8,140,475 | 6,706,701 | 6,890,017 | 6,732,913 | 6,830,916 | 6,944,337 | 7,077,846 |
| Target Balance Available/Debt Reserve (8) | 783,442 | 823,070 | 1,076,427 | 1,062,665 | 1,086,201 | 1,107,958 | 1,125,425 | 1,145,500 | 1,164,252 |
| Amount Above/(Below) Target | 1,736,313 | 1,175,957 | (684,515) | (781,952) | (3,228,390) | (1,322,796) | (1,962,059) | (1,124,163) | (1,121,915) |

(1) Assumes implementation of revenue increase strategy in FY11, and end of downtown free on-street parking program in FY12.

(2) Urban Renewal Agency assumed Broadway Garages Debt Service with payment made through Parking Fund.

(3) Garage security is reduced by \$50,000 in FY12 and future years..

(4) FY11-12 includes steam conversion, garages gate arm replacement, meter upgrades. See CIP for details on projects scheduled for FY13-15.

Budget Committee Work Plan

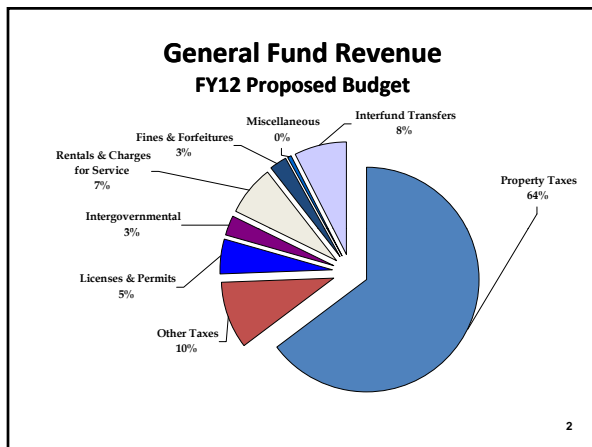
for FY12 Budget Discussions

| Date | Activity | Location | Notes |
|--|--|---|--------------------------------|
| Wednesday, April 27, 2011 5:30 to 7:30 PM | City Manager FY12 Proposed Budget Presentation | Downtown Library, Bascom-Tykeson Room | Includes Public Comment Period |
| Tuesday, May 10, 2011 5:30 to 7:30 PM | Presentation on Downtown FY12 Proposed Budget Discussion | Downtown Library, Bascom-Tykeson Room | Includes Public Comment Period |
| Wednesday, May 11, 2011 5:30 to 7:30 PM | Presentation on Social Service FY12 Proposed Budget Discussion | Downtown Library, Bascom-Tykeson Room | Includes Public Comment Period |
| Tuesday, May 17, 2011 5:30 to 7:15 PM (meeting) 7:30 PM (public hearing) | Multi Year Financial Plan & Public Hearing on FY12 Proposed Budget | City Hall, McNutt Room (meeting) and Council Chamber (public hearing) | Election Day |
| Wednesday, May 18, 2011 5:30 to 7:30 PM | Budget Committee Action on FY12 Proposed Budget | Downtown Library, Bascom-Tykeson Room | |
| Monday, June 20, 2011 7:30 PM | City Council Public Hearing on FY12 Proposed Budget | City Hall, Council Chamber | |
| Monday, June 27, 2011 7:30 PM | City Council Action on FY12 Budget | City Hall, Council Chamber | |

**General Fund Forecast
Update**

**Budget Committee
April 27, 2011**

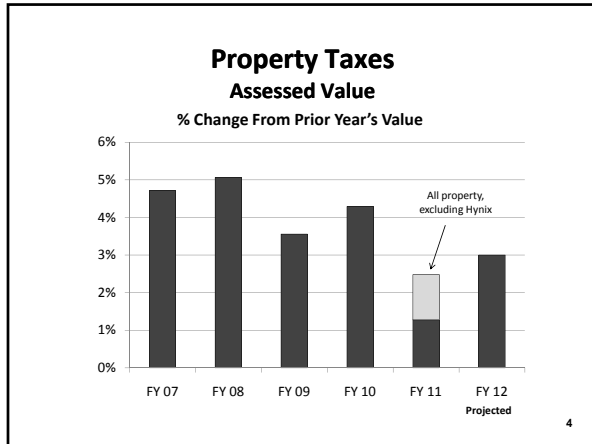
1



General Fund Revenue Trends
(Actual Collections; \$ in millions)

| | FY98 | FY10 | Average Annual Increase |
|----------------|---------------|---------------|-------------------------|
| Property Taxes | \$41.9 | \$79.7 | 5.5% |
| Other Revenues | <u>\$36.9</u> | <u>\$44.4</u> | <u>1.6%</u> |
| Total Revenues | \$78.8 | \$124.1 | 3.9% |

3



Property Tax Appeals Potential Impacts

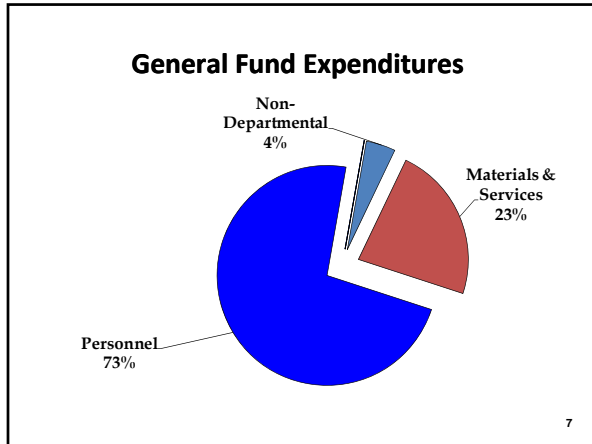
| Hynix | Comcast |
|---|---|
| <ul style="list-style-type: none"> Appeal a portion of enterprise zone penalty payment Potential Impact <ul style="list-style-type: none"> One-time \$660,000 | <ul style="list-style-type: none"> Appeal a significant increase from change in valuation method Potential Impacts <ul style="list-style-type: none"> One-time \$1 million Ongoing \$600,000 |

5

Impact To Taxpayer

| | FY11 | FY12 Estimate | Change |
|---------------------------|---------|------------------|--------|
| City Permanent Tax Rate | \$1,127 | \$1,161 | \$34 |
| Library Local Option Levy | 37 | 0 | -37 |
| City Debt Taxes | 195 | 191 | -4 |
| Total City Taxes | \$1,359 | \$1,352 | -\$7 |

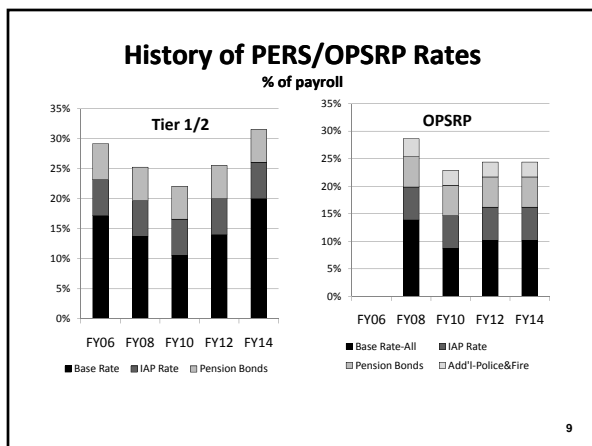
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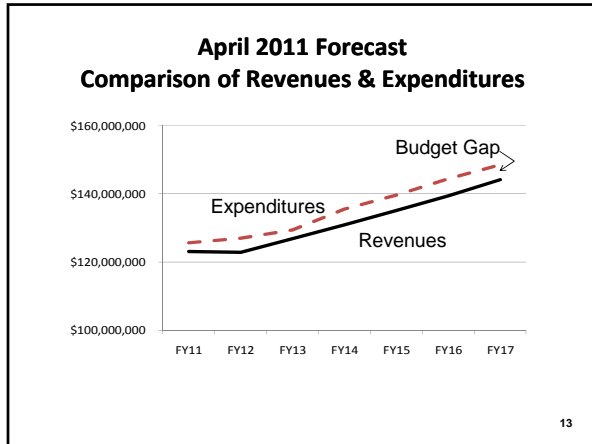


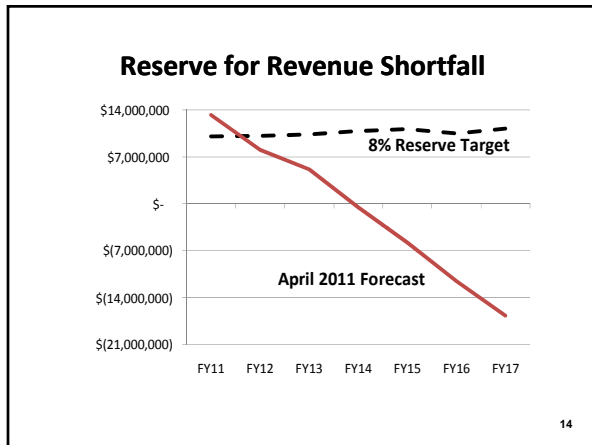
General Fund Personnel Cost Trends

(Actual Costs; \$ in millions)

| | FY98 | FY10 | Average Annual Increase |
|------------|--------------|---------------|-------------------------|
| Salary | \$35.1 | \$56.4 | 4.0% |
| Fringe | \$3.0 | \$5.7 | 5.5% |
| Health | \$3.1 | \$9.9 | 10.2% |
| Retirement | <u>\$5.9</u> | <u>\$11.8</u> | <u>5.9%</u> |
| Total | \$47.1 | \$83.8 | 4.9% |







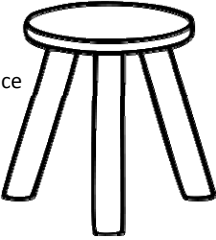
FY12 Proposed Budget

City of Eugene
Budget Committee
April 27, 2011

Continued Stewardship

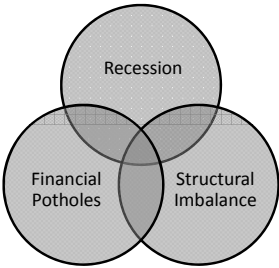
Balancing:

- Fiscal Responsibility
- Community Customer Service
- Employee Satisfaction



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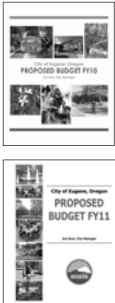
Budget Challenges



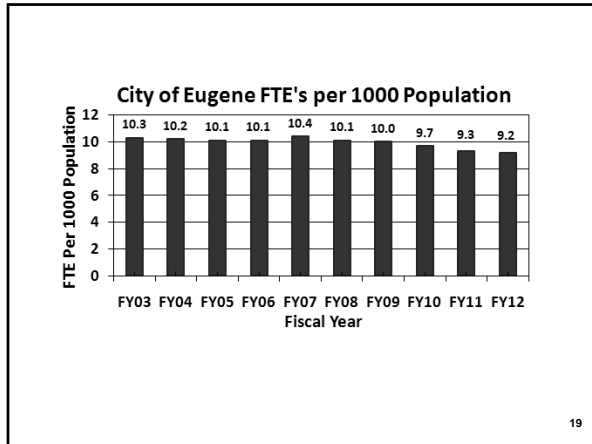
17

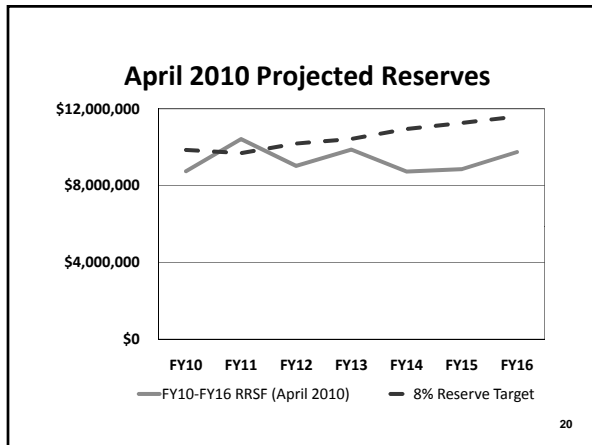
FY10 & FY11 Budget Strategies

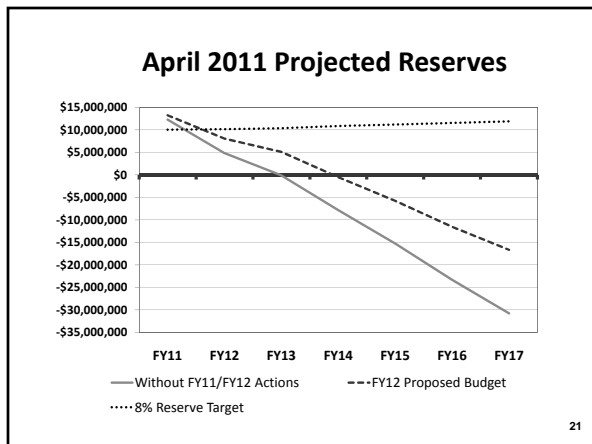
- Stabilize budget
- Decrease General Fund by \$17 million
- Control costs
- Minimize service impact to community
- Make strategic investments
- Eliminate about 80 positions, with minimal layoffs
- Build reserves

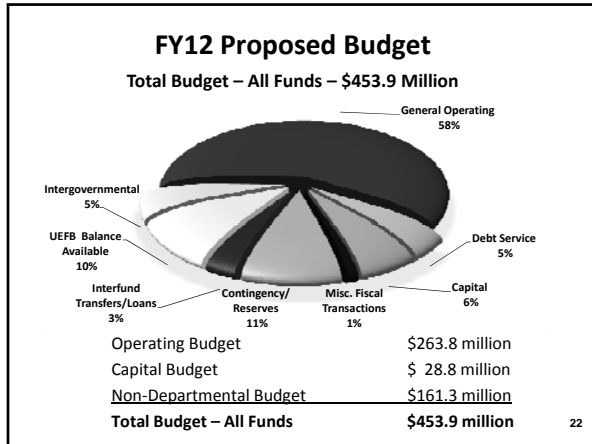


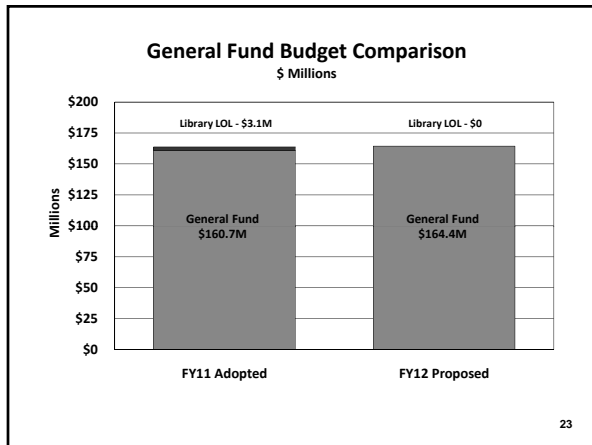
18











- ### FY12 Approach
- Strategy:**
- Set aside funds in FY11 by under spending budgets by 1%
 - Reduce department budgets by 1.8% in FY12, on-going
 - Reallocate costs from the General Fund to other funds to reflect changes in workload
 - Provide funding for strategic investments
- Achievements:**
- Closes a portion of the General Fund gap
 - Maintains most current service levels
 - Continues to minimize fee increases
 - Moves forward on prior commitments and initiatives
 - Absorbs the expiring Library Local Option Levy
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Strategic Investments

| | |
|---|-----------|
| 10 Additional Jail Beds | \$350,000 |
| Climate and Energy Analyst Position | \$94,000 |
| Equity & Accessibility Coordination | \$53,900 |
| Ongoing Funding for Downtown Clean-up Crew | \$30,000 |
| One-Time Support for Ambulance Transport Fund | \$685,300 |

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FY10 – FY12 Accomplishments

- Total City budget has decreased between FY11 and FY12
- Property taxes are lower
- Being proactive has allowed a flexible and methodical approach
- Population and services have increased with fewer employees



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Outlook for Major Funds

| Fund | FY12 Operating Surplus / Deficit | FY12 Ending Fund Balance | |
|---------------------|----------------------------------|--------------------------|--|
| General Fund | | | |
| Ambulance Transport | | | |
| CDBG | | | |
| Parking | | | |
| Road | | | |
| Stormwater | | | |
| Wastewater | | | |

| |
|--------------|
| Fund Outlook |
| Good |
| Caution |
| Poor |

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**Working Towards Long Term
Financial Stability**

Goals:

- Develop an affordable portfolio of services that reflects community needs
- Close the General Fund gap
- Sustainably fund our infrastructure
- Address other unfunded needs

Next Steps:

- Approval of FY12 Budget:
 - ✓ Budget Committee Recommendation on May 18
 - ✓ City Council Approval on June 27
- Continue conversation with Council on a long term financial plan to achieve sustainability



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Questions?



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From: Jerry Smith <jerryjane@comcast.net>
Subject: TANF CUTS IN EUGENE
Date: April 22, 2011 8:35:22 AM PDT

TANF, Temporary Assistance to Needy Families, is a term that is relatively unknown in town.

It is the bottom of the safety net for children with families and is the very weakened remainder of AFDC, Aid to Families of Dependent Children.

Many people call it "Welfare". Other than food stamps, now called SNAP, there is no other safety net for families with children.

According to the local program manager there are now 2,700 families receiving TANF. The first cut would abandon 400-550 families.

If the cuts really amount to 75% in the not too distant future then over 2,000 families with children will be cut off here in Lane County.

What happened when the last cut of impoverished disabled Oregonians was made? A few were taken in by family members, most moved out of state, a considerable number simply died, and the rest comprise our large hidden population of homeless people.

We can reasonably expect similar results from TANF cuts, plus a number of felony criminal charges against parents for neglect, abandonment, and abuse. Many children would be placed into foster homes, if that many

foster homes could be found.

Why wont charges of felony child neglect, child abuse, and child abandonment be brought against the state of Oregon?

In Lane County we do not shelter disabled people. The Eugene Mission shelters a few hundred persons with no income, but turns away disabled people. The resources we have for homeless people are so inadequate that the major programs run out of money in the first week of each month.

First Place Family Development Center is our only resource for families with children and has a capacity of about 25 families now, but First Place resources have been cut.

There is no shelter available for the large number of families scheduled to be cut here.

Faith communities have been stretched to the maximum to provide a few kindness to our homeless population.

The faith community is the resource for First Place families who are sheltered through the rainy season. The faith community also shelters part of the disabled homeless in weather that is below freezing.

What are we going to do now?

Ruth Duemler----speaking with the Homeless Action Coalition tonight

I'm here to urge you to help find funds for more porta potties and trash bins so we can locate more vehicles with homeless families, couples, and individuals.

We have been warned that there might be hundreds of our neediest families with children thrown on the streets because of state and federal budget cuts starting July 1st. Human services as well as our local bankers know that a huge number of foreclosures will occur and our neediest families with children will be out of their homes. In the long run this means more expense in hospitals, mental counseling and jails. Their vehicles might be their only shelter this next year. A curtain of shame hangs over our community. We especially need shelter for more teens.

There are now 83 vehicles of singles and couples waiting for a place to park-----but without the funds for portapotties St. Vincent cannot provide spaces. In addition there are about a dozen families needing spaces and when summer approaches and they no longer have interfaith winter assistance there will be even more families without shelter. Shelter Care expects to have less than half the number of their housing units because of funding cuts. This is a small expense of less than \$100 a month per location for the serviced potties and trash bins.

I ask you to please consider this small expense for our neediest in Eugene.