

MINUTES

**Eugene Budget Committee
Bascom-Tykeson Room, 100 West 10th Avenue
Eugene, Oregon 97401**

**May 30, 2013
5:30 p.m.**

Committee Members Present: City Council Members George Brown, Betty Taylor, Alan Zelenka, George Poling, Mike, Clark, Clair Syrett, Greg Evans, Chris Pryor; Budget Committee Citizen Members Laura Illig (Chair), Mark Rust (Vice-Chair), Ken Beeson, Robert Clarke, Chelsea Clinton, Doug Smith, Jill Fetherstonhaugh, Marshall Wilde

Committee Members Absent: None.

CALL TO ORDER

Chair Illig called the meeting to order at 5:30 p.m.

I. PUBLIC COMMENT

1. *Christine Enking* – voiced concern about the proposed cuts to the emergency shelter at Womenspace.
2. *Jennifer Geller* – spoke about the need to maintain library funding.
3. *Sabine DuToit* – requested the Committee continue funding the Bethel Branch Library.
4. *Jan Aho* – asked for restoration of funding for the Human Services Commission.
5. *Dan Braziel* – suggested discontinuation of funding for City Hall, with those funds being utilized to restore services for one year.
6. *Randall Haffner, Jeff Donaca, Mike Barneby and Cindy Clarke*, Representing the City of Eugene's four unions – requested the Committee spend more time working to find a solution to the budget, and not cut services.
7. *Juan Carlos Valle* – asked the Committee to continue funding for human services.
8. *Erin Bonner* – urged the Committee to continue funding human services.
9. *Ruth Duemler* – spoke against tax breaks to developers. She suggested the City needs to look into fundamental changes in the tax system. The CAHOOTS van is greatly needed, but the funding should come from the Police Department.
10. *Bob Cassidy* – stated he would be willing to vote on a bond measure for construction of a new City Hall, and the funds currently being held for a new City Hall should be used to restore services.
11. *Jennifer Yeh* – urged the Committee to take additional time to consider the Budget options, and focus on people in the community.
12. *Mary Leighton* – commended the CAHOOTS services in our community. She suggested that the community can wait for a new City Hall, and keeping the safety net in the community intact is vital.
13. *Alley Valkyrie* – advocated for a common sense approach to the budget. A bond measure would be the right approach to ask the community for a new City Hall. Investment in social services, pools, and CAHOOTS saves money down the road.
14. *Andrea Beardsley* – agreed with the sentiment of previous speakers. She suggested that the two animal control officers be cut from the budget.
15. *Steve Johnson* – urged the Committee to keep Sheldon Pool open.
16. *John Barofsky* – asked the Committee to not use reserves to fund the proposed services cuts for an additional six months.

17. *Nick Urhausen* – request of the Committee to provide information on how much money would be needed to build a new City Hall. He voiced concern that it is better to not fill a position than to lay someone off.
18. *Merlyn Hough* – asked the Committee to restore funding to Lane Regional Air Pollution Authority (LRAPA) to fulfill the intergovernmental agreement.

II. – BREAK –

III. COMMITTEE DISCUSSION

Chair Illig called the meeting back to order at 6:35 p.m.

MOTION: Chair Illig, seconded by Councilor Zelenka, moved the Budget Committee take to the public hearing (June 5, 2013) the following proposed recommendation for City Council:

PROPOSED RECOMMENDATION ON FY14 BUDGET: The Budget Committee recommends that the City Council:

- (1) Adopt an FY14 budget that uses the \$2.8 million of one-time transition costs included in the budget to fund the proposed \$5.3 million of cuts for the first six months of the fiscal year;
- (2) Direct the Budget Committee to continue its deliberations after the FY14 budget is adopted to develop a recommendation for the second half of the fiscal year that could be adopted by Council in December as part of a supplemental budget; and
- (3) Request that the Chair of the Budget Committee, the Mayor, the Council President and the City Manager develop a proposed process for the additional Budget Committee meetings that would be held after the FY14 budget is adopted.

MOTION to AMEND: Council Taylor, seconded by Mr. Clarke, moved to amend to one-year using the money recommended by Chair Illig plus the balance in the Reserve for Revenue Shortfall.

Budget Committee Discussion:

- The Budget Committee should have in-depth discussions regarding the development of a better budget process.
- The Committee should look at how to repurpose and restructure the services City government delivers.
- In-depth conversations should occur about the budget over the fall and winter.
- Concerns about using reserves to pay for operating costs on a one-time basis.

MOTION: Councilor Clark, seconded by Councilor Poling, moved to table the motion.
PASSED: 13:3, Councilor Zelenka, Councilor Taylor, Chair Illig opposed.

MOTION to AMEND: Councilor Clark, seconded by Councilor Poling, moved the following to fill the \$5.3 million dollar budget shortfall:

- (1) \$1.1 million from unanticipated PERS savings already passed by the Legislature and signed by the Governor;
- (2) \$1.7 million from the Facilities Reserve;
- (3) \$2.5 million from a newly created budget policy called the “Lapse Fund”. The “Lapse Fund” will be a requirement that each City department leave 2% of their General Fund allocation unspent by the end of each fiscal year. This policy will institutionalize the City Manager and staff’s heroic efforts to innovate the organization over the last four years

and create the requirement that innovation become a cultural way of City operations into the future.

Budget Committee Discussion:

- The \$1.1 million in PERS savings is an estimate. If the court overturns the law passed by the Oregon State Legislature, the City would have to repay the amount.

MOTION: Councilor Poling, seconded by Councilor Clark, moved to separate the motion in three parts, voting on each spending option individually. FAILED: 2:14, Councilor Taylor and Councilor Poling in favor.

Budget Committee Discussion:

- Concerns about the “Lapse Fund”, specifically with having departments make cuts themselves. Cuts should be made at the Budget Committee level.
- Discomfort using projected PERS savings dollars, as if it is overturned by the courts, that would encumber future Councils and the City with a potential payback-on-demand of the funds.

MOTION: Mr. Wilde, seconded by Mr. Clarke, moved to table Councilor Clark’s motion. MOTION CARRIED.

MOTION: Mr. Wilde, seconded by Mr. Clarke, moved to take from the table Chair Illig’s motion and Councilor Taylor’s amended motion. MOTION CARRIED.

Budget Committee Discussion:

- Take time and educate the public on next steps.
- The Budget Committee should have discussions on raising fees.
- A lot of municipalities are spinning off capital projects into bond measures.
- The Committee should discuss and implement a General Fund Reserve Policy.
- Discussion with the public on city service levels and potential new revenues in the coming year would be helpful to inform future decisions.

ADJOURN

The meeting adjourned at 8:28 p.m.

Respectfully submitted,

Jessica Mumme,
Program Coordinator, Finance Division