



Memorandum

Date: May 24, 2013
To: Budget Committee Members
From: Mia Cariaga, Assistant Finance Director
Subject: May 28rd Meeting Materials

Please find the following in this packet of materials:

- Agenda for May 28, 2013 Budget Committee meeting
- Committee requests and responses or status updates
- An email sent to the Mayor from a citizen
- A summary of impacts to the Human Services Commission as presented by HSC

Hard copies of these items will be provided to Budget Committee members at the meeting. These materials will also be made available online at www.eugene-or.gov/budget and www.eugene-or.gov/pw.

We look forward to seeing you on Tuesday. If you have questions about the packet or meeting date, know that you will not be attending the meeting, or need other help, please call me at (541) 682-5408.



A G E N D A
EUGENE BUDGET COMMITTEE
Tuesday, May 28, 2013
Downtown Library, Bascom-Tykeson Room
100 West 10th Avenue, 5:30 p.m. – 7:30 p.m.

5:30-5:35 p.m. I. Opening Remarks
 Laura Illig, Chair

5:35-6:05 p.m. II. Public Comment
 This is an opportunity for members of the public to comment on budget priorities. Comments may 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.

6:05-6:45 p.m. III. Staff Presentation on Facility Reserves
 Sue Cutsogeorge, Finance Director

6:45-7:30 p.m. IV. Committee Discussion

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.

- 1. What is the amount of each department's end-of-year fund balance for each of the last 5 years? (Brown, 4/30/13)**

Pending.

- 2. What is the amount of unanticipated revenues in December's supplemental budget for each of the last 5 years? (Brown, 4/30/13)**

Pending.

- 3. What is the current balance of the Reserve for Revenue Shortfall Fund? How many months of City operations costs does this balance represent? (Brown, 4/30/13)**

See page 17 of the proposed budget document. The FY14 balance is estimated at \$6.9 million, which is 0.65% of one month.

- 4. a. What is the current balance of the Riverfront Urban Renewal District Fund?**

See page 166 of the FY14 Proposed Budget. FY13 budget = \$5.8 million and FY14 = \$6.7 million.

- b. What is the City's share of that balance? (Brown, 4/30/13)**

The City does not receive a share of the balance in the urban renewal district funds. Those dollars can only be used by the Urban Renewal Agency in accordance with the district plan.

- 5. a. How much has been spent (total dollar amounts) on exempt employees in each of the last 5 years?**
b. How much is projected to be spent on exempt employees in FY14?
c. Separately, please provide the same information for non-exempt employees. (Brown, 4/30/13)

Pending.

- 6. Since 2009, how many staff positions have been added to the CMO at what cost per year? (Brown, 4/30/13)**

Pending.

- 7. a. How many positions were there in the City Attorney's office when it was established, and how many are there currently?**
b. Will any be added in FY14?
c. What is the cost of the contract with Harrang/Long each year for the past 5 years and how much is projected for that contract in FY14? (Brown, 4/30/13)

Pending.

8.
 - a. How many vacant positions are in the 2013 adopted budget?
 - b. How many vacant positions are currently in the budget ?
 - c. How many are projected for 2014? (Brown, 4/30/13)

Pending.

9. **How many new hires have been made each year since 2009 and what was the cost? (Brown, 4/30/13)**

Pending.

10.
 - a. How much money has been transferred from the General Fund to the City Hall Replacement Fund in each of the last 5 years?
 - b. How much money is in the City Hall Replacement Fund (323) in the adopted Fy13 budget and in the projected FY14 budget?
 - c. How much money is in the Facility Replacement Reserve Fund (614) in the adopted FY13 budget and in the projected Fy14 budget?
 - d. How much money is in the Facilities Professional Services Fund (635) in the adopted Fy13 budget and in the projected FY14 budget? How much of Fund 635 would be used for City Hall Replacement related expenses in FY13 and FY14?
 - e. Are there any additional funds that have money for City Hall planning, design or any other expenses related to replacing City Hall, and, if so, what are they and how much money was in them in the FY13 adopted budget and how much is projected for the FY14 budget? (Brown, 4/30/13)

Pending.

11.
 - a. Please provide a breakdown of total costs to date of the Envision Eugene project (consultants, facilitators, City staff time, materials, advertising, etc.).
 - b. What is the source of funds that pay these costs?
 - c. How much is budgeted to bring the project to completion? (Brown, 4/30/13)

Pending.

12.
 - a. How much has been spent on the 20-year visiting component of the South Willamette Concept Plan?
 - b. What is the source of funds that pay these costs?
 - c. How much is budgeted to bring this part of the whole project to completion? (Brown, 4/30/13)

Pending.

13. **Why do all the funds in the financial summaries show "0" end fund balances from Fy12 through 2013. For example: 135, 110, 155, 131, 130, 180, 150, 170, 010, 211, 250, 310, 350, 330, 340, etc. (Brown, 4/30/13)**

The presentation of ending fund balance in the budget document has been changed this year to show estimated ending fund balance. To determine estimated ending fund balance in previous year budgets, look at the beginning working capital figure for the next fiscal year or add together the reserve and balance available amounts in the fund.

14. Provide more information on the Facility Reserve. (Brown, Poling, Wilde, 5/23/13)

Attached is background information about where the Facility Reserve money came from and what it has been spent on. In addition, these specific questions were asked:

a. How much money has been transferred from the General Fund to the City Hall Replacement Fund in each of the last 5 years?

A total of about \$3 million has been transferred into the reserve over the past five years.

- In FY09, the last year of the “facility capitalization charge” was deposited into the fund for \$841,000, comprised of General and non-General Fund dollars. That charge was discontinued in FY10 as a budget balancing measure.
- No deposits were made into the City Hall Replacement Fund in FY10 or FY11.
- In FY12, council authorized \$500,000 of marginal beginning working capital to be transferred on supplemental budget #1 in December 2011. The proceeds from the sale of 858 Pearl Street (just under \$700,000) were also deposited into the fund in FY12.
- In FY13, council authorized \$500,000 of the General Capital Transfer (typically totals \$900,000) to be dedicated to the City Hall Replacement Fund, as well as an additional \$500,000 from marginal beginning working capital in December 2012.

b. How much money is in the City Hall Replacement Fund (323) in the adopted Fy13 budget and in the projected FY14 budget?

Fund 323 is the City Hall Complex Fund. This is where active capital projects related to City Hall are budgeted. There is no balance or reserves in this fund in FY13 or FY14 as there is not an active capital project underway at the moment.

c. How much money is in the Facility Replacement Reserve Fund (614) in the adopted FY13 budget and in the projected Fy14 budget?

The FY13 Adopted Budget included \$7.7 million in the Facility Reserve. The FY14 Proposed Budget includes \$7.9 million in the reserve.

d. How much money is in the Facilities Professional Services Fund (635) in the adopted Fy13 budget and in the projected FY14 budget? How much of Fund 635 would be used for City Hall Replacement related expenses in FY13 and FY14?

Fund 635 is where we account for architectural and project management services performed by the Facility Management Division for other City funds. Facility Division staff charge the City Hall Complex Fund (323) for the staff time spent on City Hall projects. Those payments are made to the Facilities Professional Services Fund through a materials & services charge in 323, which becomes a revenue into

Fund 635. There are no other dollars from Fund 635 spent on the City Hall project besides the dollars that come from the City Hall Complex Fund (323)

e. Are there any additional funds that have money for City Hall planning, design or any other expenses related to replacing City Hall, and, if so, what are they and how much money was in them in the FY13 adopted budget and how much is projected for the FY14 budget?

There are no dollars budgeted for City Hall planning, design or construction in any other funds in FY13 or FY14.

15. Request for list of alternate reductions. (Clinton, 5/23/13)

A list of alternate reductions as presented to City Council on February 11, 2013 is attached.

16. Request for cost of City Hall rebuild and full maintenance costs. (Evans, 5/23/13)

Pending.



Memorandum

Date: May 7, 2013
To: Jon R. Ruiz, City Manager
From: Sue Cutsogorge, Finance Director
Subject: Facility Reserve Background Information

This memorandum sets out background information about the Facility Reserve. The Facility Reserve was created in FY01 as a way for the organization to save for the City Hall Complex master plan projects. The original intention was that the City Council could reduce the amount asked from voters to pay for the City Hall projects by saving money over time. The current plan is for the City to rebuild City Hall using a scaled back design, without asking voters for additional dollars.

The amount in the Facility Reserve in FY14 is estimated to be \$7.9 million, consisting entirely of balance carried over from FY13 with no new deposits or additional spending. Council will need to identify future funds to contribute to the reserve fund to reach the \$15 million target budget for the City Hall rebuild project.

Below are brief descriptions of some of the major revenues and expenditures transactions that have occurred in the Facility Reserve since its creation in FY01. The reserve has been used to provide funding for several projects that moved public safety functions out of City Hall into new permanent locations, as well as for non-City Hall related projects over the years.

Major Deposits into the Facility Reserve

General Fund Marginal Beginning Working Capital: In both FY12 and FY13, City Council authorized \$500,000 on supplemental budget #1 in December to be transferred from the General Fund to the Facility Reserve Fund. The source of these funds was the difference between estimated and audited actual FY12 revenues and expenditures.

Reallocation of General Capital Transfer: In FY13, City Council authorized \$500,000 to be dedicated to the Facility Reserve from the General Capital Transfer on supplemental budget #1 in December. This approach was taken in recognition of the fact that very little of the general capital maintenance dollars have been used for City Hall in the past decade, and it is reasonable to dedicate a portion of those maintenance dollars to the rebuild of City Hall.

Excess EWEB Wholesale CILT: During FY01, \$7.3 million was earned from one-time CILT payments on wholesale electric sales to California. City Council authorized that these funds be dedicated to the Facility Reserve through budget actions authorized in FY01 and FY02.

Settlement of Telecommunications Lawsuits: In FY05, the City Council authorized deposit of \$15.4 million into the Facility Reserve from the General Fund and the Telecommunications Fund. The revenues were a result of additional licenses and permits from Qwest and other telecom providers. The Qwest payments had been deferred until the lawsuit was settled. Telecom providers began making payments to the City after the City's ordinance was upheld in court.

Assessment Bond Fund Residual Assets: In FY03, City Council reviewed the residual assets contained in the assessment bond fund reserves and determined how to use the excess funds. At that time, \$2.3 million of the residual assets were deposited into the Facility Reserve to be used for City Hall related projects.

Capitalization Component of Facilities Charge: During FY03, City Council approved adding a component to the Facilities Charge for certain downtown facilities that were funded from the General Fund. This charge was developed as a way to systematically set aside funds for the City Hall project. Both General Fund and Non-General Fund services contributed to the Facility Reserve through Facility Capitalization Charges. The total amount contributed through 2009 was \$5.7 million. The contribution from this source was discontinued as of FY10 due to budget constraints.

Sale of Surplus Property: The City has deposited funds received from the sale of certain surplus properties into the Facility Reserve. Examples are proceeds from sale of the Olive Street parking lot (\$350,000) and sale of 858 Pearl Street (\$700,000).

Other Miscellaneous Revenues: The City deposited other one-time funds into the Facility Reserve from time to time. The reserve fund was originally created by setting aside a portion of property tax revenues in FY01 and FY02. Other examples are the library asbestos settlement (\$227,000), and return of excess budget for Library construction project (\$100,000). Balances in the fund have also earned interest which has contributed to the amount available in the fund.

Major Expenditures from the Facility Reserve

Police Headquarters: City Council authorized \$16 million of the Facility Reserve balance to be used to purchase and renovate the property at 300 Country Club Road into a Police Headquarters in FY10. This project was part of the replacement of City Hall.

Roosevelt Police Building: In FY02 and FY03, City Council authorized that \$3.9 million be transferred from the Facility Reserve to pay for construction of the Forensic Evidence Unit/Property Control Unit facility at Roosevelt, which allowed police to discontinue using the basement space at City Hall as regular working areas. This project was part of the replacement of City Hall.

Fire Station #1 Costs: As part of the funding for construction of a new Fire Station #1, City Council authorized a transfer of \$270,000 out of the Facility Reserve in FY03 to pay for furnishings, fixtures and equipment (FF&E). The bulk of the fire station was built with General Obligation bond funds approved by voters, but the FF&E costs were not eligible for General Obligation Bond funding. This project was part of the replacement of City Hall.

City Hall Master Plan: City Council dedicated approximately \$2.7 million to the City Hall Master Plan from the Facility Reserve in fiscal years 2006 through 2009.

Lane County Revenue Swap: In FY09, City Council authorized that \$4.5 million be paid to Lane County, so that funds could be used to pay for jail beds, prosecution and other high-priority services. In return, the County sent \$4.5 million from their Road Fund to the City to pay for road maintenance, repair and construction.

Road Fund Transfer: In both FY09 and FY10, City Council authorized that \$1 million be transferred from the Facility Reserve to the Road Fund to pay for street maintenance, including pothole patching.

General Fund Budget Gap: In FY04, City Council authorized \$900,000 to be transferred from the Facility Reserve to fill a budget gap in the General Fund.

Other Miscellaneous Expenditures: Facility Reserve contributions were also authorized by City Council to pay for the LRCS Master Plan (\$130,000), the EPD PERF Study (\$35,000), and homeless prevention services (\$150,000).

FY14 ALTERNATE BUDGET REDUCTIONS

Ongoing Services

Item	Amount
CS-Eliminate Equity and Human Rights Program	\$380,000
CS-Eliminate Mental Health Court	\$50,000
CS-Eliminate Neighborhood Services	\$615,000 *
CS-Eliminate Sustainability Program	\$126,000
CS-Put LCOG Dues into Abeyance Indefinitely	\$30,000
CS-Reduce Council Travel and Sister Cities Program	\$34,500
CS-Reduce Funding for Jail Beds	\$350,000
EPD-Eliminate 2nd Cahoots Van	\$300,000
EPD-Reduce Police Investigations	\$420,000
Fire-Eliminate Fire Company at Station #2	\$400,000
Fire-Eliminate HazMat Team	\$200,000
LRCS-Close Branch Library at Sheldon	\$275,000
LRCS-Close Branch Library in Bethel	\$280,000
LRCS-Close Downtown Library for One Day a Week	\$500,000
LRCS-Eliminate Teen Court Program	\$100,000
LRCS-Mothball Echo Hollow Pool	\$450,000
LRCS-Mothball Sheldon Pool	\$450,000
LRCS-Reduce Community Events & Partnerships (Eugene Celebration, Lane Arts Council Grants, Jacobs Gallery etc.)	\$50,000
LRCS-Reduce Recreation Programs & Services (Youth & Family, Adaptive & Senior Services)	\$372,000
PDD-Eliminate Funding for Metro Partnership/Southern Willamette Angel Network	\$55,000
PDD-Eliminate HSC Discretionary Funding from the General Fund	\$860,000
PDD-Eliminate Looking Glass Funding for Station 7	\$36,000
PDD-Eliminate St. Vincent DePaul Car Camping Contract	\$81,000
PW-Close Neighborhood Park restrooms	\$94,000
PW-Reduce Parks Maintenance	\$510,000
PW-Sell Laurelwood Golf Course (ongoing operational savings)	\$50,000
	\$7,068,500

*Dollar amount has been updated from prior version.

Subject: Budget Committee

From: phyllis ricketts <rricketts@centurylink.net>
Date: May 22, 2013, 2:52:39 PM PDT
To: PIERCY Kitty <Kitty.Piercy@ci.eugene.or.us>
Subject: Free advice

I met you at the north River Road fire station. Your intelligence, openness, and warmth impressed me; and I wish Tuesday night had been happier for you. Thank you for your efforts on behalf of Eugene.

For what it's worth, I suggest:

The Council produce a five-year rolling plan/projection that gives:

- Projected revenues
- Projected expenses
- Services (including maintenance) that will be difficult or impossible to cut
- Services scheduled to be cut if, when, and as revenues fall short.

(This document cannot be binding; it gives Council and citizens context.)

The Council institute or promote widespread discussion of what City services they want. If citizens are content with the cuts, so be it. If citizens want to keep (or increase!) services, the discussion shifts to means of raising revenue or developing efficiencies. In particular, those who led the anti-fee effort should be invited to participate. If they refuse to do so, I would hope that refusal would be publicized.

If you've read this far, thank you.

Dick Ricketts

IMPACT OF LOSS IN CITY OF EUGENE REVENUE

Without alternative revenue being budgeted in FY 14 for the \$621,000 that was to be funded by the proposed City Service Fee, the following significant reductions in human services will occur. Access to services would be limited for vulnerable children, families and individuals including homeless and at-risk youth, seniors, disabled, and veterans.

- Looking Glass' "Station 7" runaway and homeless youth shelter would close access during day time hours and would reduce the 24-hour crisis-line to 16-hours per day. The homeless youth shelter will lose half of its shelter capacity, with a reduction to 7 beds per night.
- Looking Glass' "New Roads" access center for homeless and at-risk youth will lose one outreach shift per week and will discontinue its sexual assault and exploitation education program.
- Pearl Buck Center's child abuse prevention program would close. Parent education and support, life skills training and social support services would no longer be available to parents with cognitive disabilities who have children enrolled in the early childhood education program.
- Relief Nursery's child abuse prevention program would serve approximately 25% fewer children and families.
- Womenspace's domestic violence shelter would lose night time staffing for its 24-hours 7-days a week facility and crisis-line. The staffing loss would hamper coverage when personnel take time off as well.
- Womenspace's transition program would reduce its full-time case manager to .75 FTE reducing the support to women and their children who are transitioning to stable lives after enduring domestic violence.
- St. Vincent DePaul's First Place Family Center day access center for families would close on weekends and during the summer months. It is currently open every day of the year. The interfaith homeless family shelter program could be impacted as well.
- St. Vincent DePaul's First Place Family Center day access center for families would eliminate its assessment and transitional case management capability to help transition families from homelessness.
- St. Vincent DePaul's Eugene Service Station homeless adult access center would reduce its hours from 8:00 a.m. to 7:00 p.m. 7-days per week to 9:00 a.m. to 5:00 p.m. Monday thru Friday. No hot meals would be provided on Saturday or Sunday. No weekend

laundry services would be available for working homeless individuals. No mail service would be available on Saturday. No internet would be available for job search on weekends. No showers between 5 p.m. and 7 p.m. during week days for working homeless individuals.

- St Vincent DePaul's Egan Warming Center program would lose 37% of its budget, impacting the ability to partner with the faith community to provide extreme cold weather shelter.
- Catholic Community Services' Community Service Center for Eugene & North Central Lane County would reduce the availability of low-income emergency basic needs assistance (food boxes, clothing, transportation, prescription assistance, personal care supplies, etc.) from 5 days per week to 3 days per week and would reduce food distribution from 3 days per week to 2 days per week. The reduction would result in an estimated 20-25% reduction to the number of persons served and the amount of food distributed.
- LCOG Senior & Disabled Services' ability to serve frail, homebound older people who need help with meals to remain in their own homes would be eroded with a 12% reduction to Eugene residents.
- Centro Latino Americano's capacity to provide bilingual & bicultural services would be substantially reduced with a 40% reduction in services; including: assessment, case management, employment assistance and advocacy.
- White Bird Clinic Medical and Dental walk-in clinics for uninsured patients will close a 4-hr medical clinic and a 4-hr dental clinic.
- Food For Lane County's Dining Room in Downtown Eugene would lose its local support for serving food insecure hungry people.
- ShelterCare's Transitional Housing Apartments for Chronically Homeless Adults with a Psychiatric Disability would lose 4 units.
- Lane County Veterans Services would reduce its capacity to see clients who have difficulty with walk in appointments system by nearly 74%. 30% of the walk-in appointment capacity would be lost as well as the ability to cover appointments for outreach appointments.

Facility Funding, City Hall and the Facility Reserve

Eugene Budget Committee
May 28, 2013



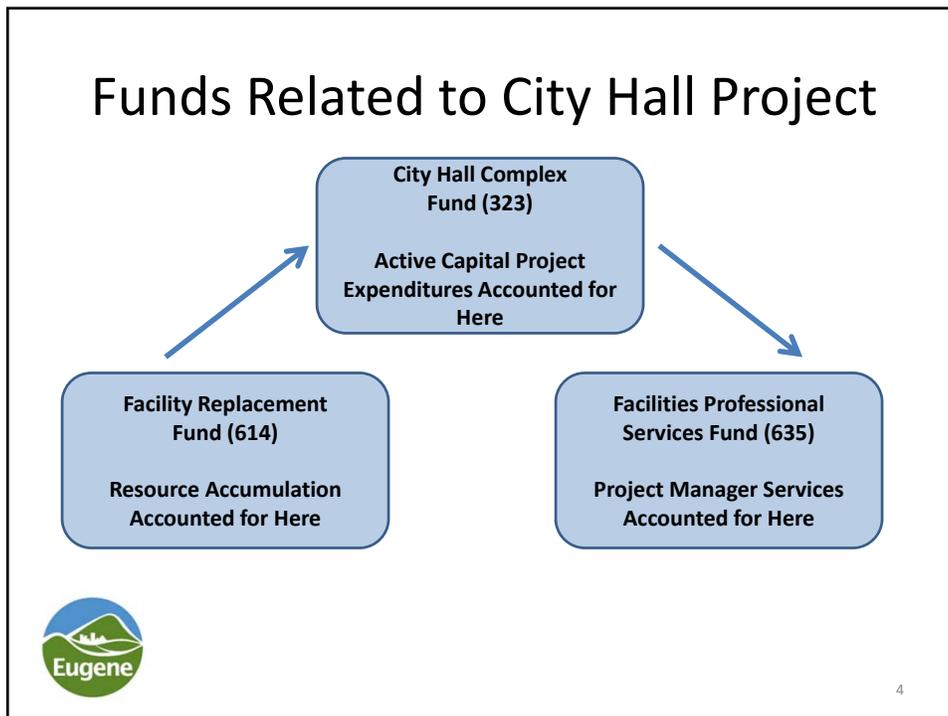
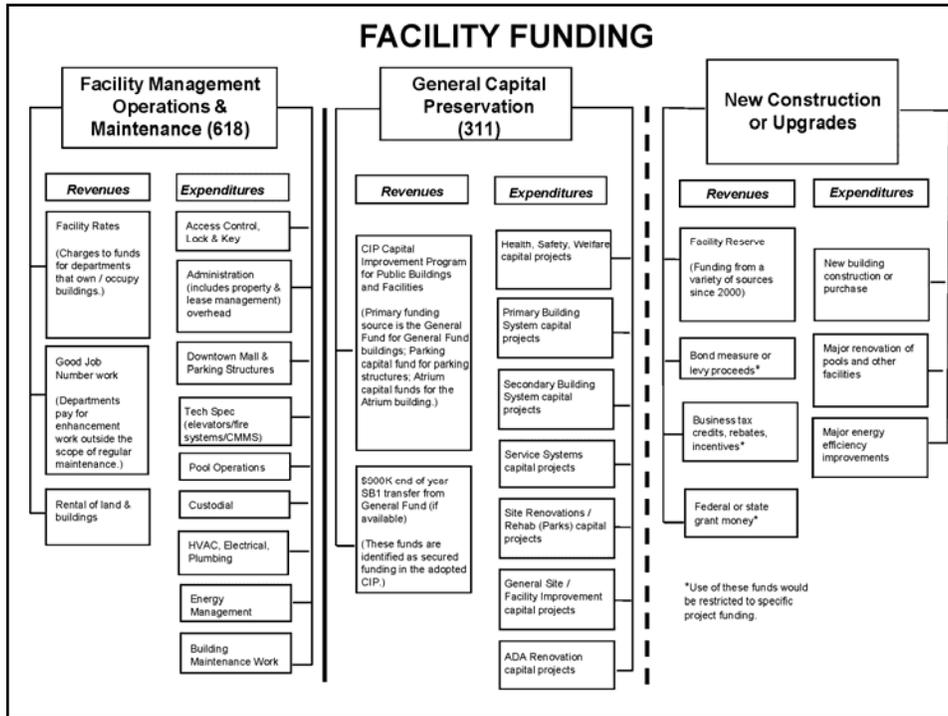
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Financial Management Goals & Polices

- Policy A.5. – Operating & Capital Budgets
- Policy B.8. – Replacement Accounts
- Policy B. 11. – Marginal Beginning Working Capital
- Policy C.4. – Dedicated Revenue – Capital Projects
- Policy C.6. – Non-Recurring Revenue
- Policy D.1. – Capital Improvement Program
- Policy D.5. – City's Physical Assets



2



Existing City Hall Building



5

City Hall – Council Direction & Status

Direct the City Manager to pursue a City Hall design on the current site with the goal of retaining the Council Chamber, existing parking (to the extent possible) and public art as well as any other components that make sense from an operational or design standpoint. If council chooses any of the options above, staff will be requesting \$750,000 to complete this phase of work.

- Project Status: Architect selection underway
- Budget: \$15 million (not all identified yet)
- Timeline: Completion by end of 2015



6

Facility Reserve Purpose

- Created in FY01 to save for City Hall related projects
- Original intention: reduce the amount asked from voters for a bond to pay for City Hall
- Current intention: rebuild City Hall with a scaled back design, without asking voters for additional dollars



7

City Hall Bond Measures

Election	Purpose	Amount	Outcome
May 16, 2000	Police & Fire Stations	\$36.62 million	Failed
November 7, 2000	Police & Fire Stations	\$25 million	Failed
May 21, 2002	Fire Projects	\$8.68 million	Passed
November 2, 2004	Civic Center Project	\$6.79 million	Failed



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Sources of Reserve Funds

- General Fund MBWC
- Reallocation of General Capital Transfer
- Capitalization Component of Facility Charge (FY03-FY09)
- Excess EWEB Wholesale CILT in FY01
- Telecommunications Lawsuit in FY05
- Assessment Bond Fund Residual Assets in FY03
- Sale of Surplus Property
- Other Miscellaneous Deposits



9

Facility Reserve Recent Activity and Balances

	FY11 Actuals	FY12 Actuals	FY13 Estimate	FY14 Proposed
Beginning Balance	\$6,314,702	\$6,457,596	\$7,692,923	\$7,980,923
Deposits*	0	1,196,859	1,000,000	0
City Hall Planning**			-750,000	0
Country Club Road Lease Rev/Exp	82,615	-9,711	0	0
Interest Earnings	60,279	48,179	38,000	0
Ending Balance	\$6,457,596	\$7,692,923	7,980,923	\$7,980,923



*FY12 deposits = \$696,859 from sale of 858 Pearl Street and \$500,000 from MBWC. FY13 deposits = \$500,000 from MBWC and \$500,000 from General Capital Transfer.

**City Hall planning dollars will be requested on supplemental budget #2 in June 2013.

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Uses of Reserve Funds

- City Hall Related Projects:
 - Property & Forensics Building
 - Fire Station #1 Costs
 - Police Headquarters
 - City Hall Planning
- Other Uses:
 - Lane County Revenue Swap in FY09 (Road Fund)
 - Road Fund Transfers in FY09 and FY10
 - General Fund Budget Gap in FY04
 - Miscellaneous Expenditures



11

City Hall Progress to Date

- 2001 – moved 911 Center to 2nd & Chambers
- 2004 – moved Property & Forensics to N. Garfield*
- 2005 – moved Fire Station to 13th & Willamette*

2012 – EWEB steam system decommissioned

- 2012 – moved Police HQ to 300 Country Club Road*
- 2012 – moved Municipal Court to Roberts Building
- 2012 – moved HR & Risk to Woolworth Building
- 2012 – moved CMO to Lane County PSB



*Facility Reserve Funds used for these projects.

Police Forensic Evidence & Property Control

City Hall Location	Current Location
Basement	North Garfield



Downtown Fire Station

City Hall Location	Current Location
NW Corner	13 th & Willamette



Police Headquarters

City Hall Location	Current Location
NE Corner	300 Country Club Road



Municipal Court

City Hall Location	Current Location
South Side	1102 Lincoln Street



City Manager's Office

City Hall Location	Current Location
SE Corner	Lane County PSB



Human Resources & Risk Services

City Hall Location	Current Location
SW Corner	Woolworth Building

