



NOTE TIME & LOCATION!

A G E N D A
Eugene Budget Committee
Public Hearing in Council Chamber, City Hall
777 Pearl St
7:00 p.m. – 8:00 p.m.

Work Session
8:30 p.m. – 9:30 p.m. (tentative)
Monday, May 18, 2009

- 7:00 p.m. I. **PUBLIC HEARING ON THE FY10 BUDGET RECOMMENDATION**
Speakers are allotted up to 3 minutes to address the committee on topics related to the recommended FY10 Budget.
- 7:50 p.m. **ADJOURN FOR 30 MINUTES**
If the Council public hearings are completed prior to 8:30 p.m., the Budget Committee will reconvene at 8:30 p.m.
- 8:30 p.m. II. **INTENDED MOTIONS, DISCUSSION AND POSSIBLE ACTION**
- 9:30 p.m. **ADJOURN**

**Next Meeting: Wednesday, May 20, 2009,
5:30 p.m., McNutt Room, City Hall**

Budget Committee Members:

George Brown	John Barofsky
Mike Clark	Kate Davidson
Andrea Ortiz	Mary Ann Holser
George Poling	Noah Kamrat
Chris Pryor	Terry McDonald
Jennifer Solomon	Joseph Potwora
Betty Taylor	Doug Smith
Alan Zelenka	Claire Syrett

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: <http://www.eugene-or.gov/budget>. To arrange for services or for more information about the session, contact the Budget Office at (541) 682-5021.



NOTE TIME & LOCATION!

A G E N D A
Eugene Budget Committee

McNutt Room, City Hall
777 Pearl St
5:30 p.m. – 9:00 p.m.
Wednesday, May 20, 2009

- 5:30 p.m. I. **FINAL ACTION ON THE FY10 CITY OF EUGENE AND URBAN RENEWAL AGENCY BUDGET RECOMMENDATIONS TO THE CITY COUNCIL**
- 7:00 p.m. Break
- 7:10 p.m. II. **FINAL ACTION ON THE FY10 CITY OF EUGENE AND URBAN RENEWAL AGENCY BUDGET RECOMMENDATIONS TO THE CITY COUNCIL** (Continued)
- 8:50 p.m. III. **WRAP-UP**
- 9:00 p.m. **ADJOURN**

***Note:** The Budget Committee procedure of accepting public testimony is being suspended for this meeting since a public hearing was held on Monday, May 18, 2009.

Budget Committee Members:

George Brown	John Barofsky
Mike Clark	Kate Davidson
Andrea Ortiz	Mary Ann Holser
George Poling	Noah Kamrat
Chris Pryor	Terry McDonald
Jennifer Solomon	Joseph Potwora
Betty Taylor	Doug Smith
Alan Zelenka	Claire Syrett

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: <http://www.eugene-or.gov/budget>. To arrange for services or for more information about the session, contact the Budget Office at (541) 682-5021.

**Eugene Budget Committee
Intended Motions List as of May 18, 2009**

Staff	<p>Move to amend the Proposed Budget to:</p> <ul style="list-style-type: none"> - Remove Proposed FY10 Right-of-Way Fee on City Utilities (Wastewater and Stormwater) as directed by the City Council on April 27, 2009. - Add FY10 Interfund Transfers totaling \$500,000 from the Local Wastewater (\$100,000) and Stormwater Utility (\$400,000) Funds to the Road Fund as approved by the City Council on April 27, 2009. - Add \$1.4 million of Local Gas Tax to the Road Fund for Operations and Maintenance and remove the same amount from the Pavement Preservation Program (Capital).
Staff	<p>Legal Services Budget Adjustment: Move General Fund budget for legal services into the City Attorney's Office (see attachment).</p>
Barofsky	<p>Move that the budget committee recommend that the city council impose a 5% transportation surcharge on solid waste haulers to generate an estimated \$900,000 for road maintenance and operations. This surcharge will be for one year. All monies collected are to be designated to local streets for O & M. Should the city receive any extra road funding from the state or other sources in the year 2010 budget cycle that money should be used first to offset the fees as a priority in order to rescind the surcharge.</p>
Syrett	<p>Move to add \$150,000 to the City of Eugene's Human Services Commission contribution for FY10 to be taken from General Fund.</p>
Brown	<p>Move to direct the City Manager to work with the full Budget Committee on the disposition of the Facility Reserve as a component of the City's entire budget.</p>
Potwora	<p>Move that any Budget Committee motion to increase funding include an offsetting expenditure reduction and/or revenue increase elsewhere in the budget.</p>
Clark	<p>Move to add police officer positions.</p>
Poling	<p>Motion to remove \$257,000 cap on animal registration license revenue that can be retained by Lane County, maintain the City of Eugene General Fund contribution towards animal services at the current level, and do not increase fees for animal licenses.</p>
Zelenka	<p>Move to express support for implementation of a County-wide vehicle registration fee by Lane County to provide funding for street operations and maintenance.</p>
Zelenka	<p>Move to use the Facility Reserve to fund five additional police officers at an annual cost of \$730,000; increase HSC funding by \$166,000; and increase jail bed funding by \$1.6 million.</p>
Zelenka	<p>Move to authorize a swap of Lane County's Road Fund money for \$1 million transfer from Facility Reserve to the City of Eugene Road Fund.</p>

FY10 Budget Adjustment Legal Services

The City Manager has established an in-house City Attorney’s Office. Under a renegotiated contract with the law firm, the in-house City Attorney’s Office is expected to have 2 or 3 attorneys (3 FTE is the maximum under the new contract), a legal assistant and paralegal. The “basket of services” is gone as most of those services will be handled in-house. Over the past several years, the amount of legal work has been approximately 6-7 FTE of attorney work. Based on that history, it is expected that about half (or a little less) of the legal work will be handled in-house and the remainder will be handled by the law firm and billed by the hour.

The first step in establishing the in-house City Attorney’s Office is to move existing General Fund appropriation for legal services from departments into the Central Services Department, City Attorney’s Office budget.

<u>General Fund Department</u>	<u>Funding to/(from)</u>	
Fire	(17,850)	
Library, Cultural & Recreation Services	(14,300)	
Planning & Development	(323,136)	
Police	(118,000)	
Public Works	(76,700)	
<i>Central Services (subtotal from depts.)</i>	<i>549,986</i>	<i>Requested Budget Action</i>
Central Services Administration	<u>391,500*</u>	
 TOTAL FY10 CITY ATTORNEY’S OFFICE APPROPRIATION	 \$941,486	

Further evaluation of a model for the in-house City Attorney’s Office will include billing procedures for Non-General funds. If additional funding adjustments are necessary which require legal budgetary action, information will be provided to the City Council for review.

*Central Services Administration legal services budget will also be moved to the City Attorney’s Office. Because it is within the same department, it is not a legal budgetary action.



MEMORANDUM

Date: May 14, 2009
To: Members of the Budget Committee
From: Kitty Murdoch
Subject: Final Motions Recommending the FY10 Budget to the City Council

Here is a reminder about the motions required from the Budget Committee to wrap up the process. Each individual motion amending the City Manager's Proposed Budget needs to be approved by a majority of the members present. The overall motion making a budget recommendation to the City Council requires approval by a majority of the committee (9 votes). Here are the recommended motions to the City Council:

City of Eugene Budget

Move that the Budget Committee recommend to the Eugene City Council a FY10 Budget for the City of Eugene that consists of the Manager's Proposed FY10 Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior year capital projects, and the following amendments:

- ▶ Bulleted list of motions approved by the Budget Committee.

Urban Renewal Agency Budget

Move that the Budget Committee recommend to the Eugene City Council, acting as the Urban Renewal Agency Board of Directors, a FY10 Budget for the Eugene Urban Renewal Agency that consists of the City Manager's FY10 Proposed Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior year capital projects, and the following amendments:

- ▶ Bulleted list of motions approved by the Budget Committee.

BUDGET COMMITTEE QUESTIONS

As of May 14, 2009

#	Date Asked	BC Member	Question	Dept/Div	Response Date
1.	4/15/09	Clark	What is the City's role in property tax appeals? Does the City have control over Board of Property Tax Appeals appointments? What are the criteria for adjudicating property tax appeals?	CS-Finance	5/6/09 Mtg Packet
2.	4/15/09	Ortiz	What is the status of the Verizon bill (HB2405) being considered by the Oregon State Legislative Assembly? Would it have an impact on the City of Eugene's Telecommunications Fund?	CS-ISD	5/6/09 Mtg Packet
3.	4/29/09	Ortiz	Please identify the portions of the budget in the Ambulance Transport Fund that are not related to transporting patients.	Fire & EMS	5/18/09 Handout at Meeting
4.	4/29/09	Syrett	Provide evidence for the claim that Eugene is known as a good place to commit crime?	EPD	5/13/09 Mtg Packet
5.	4/29/09	Syrett, Davidson, Potwora	What is the correlation between the # of jail beds, the # of additional incarcerations per jail bed, and the crime rate?	EPD	5/13/09 Mtg Packet
6.	4/29/09	Zelenka	How many officers were hired last year? How many could we hire by the end of the year?	EPD	5/13/09 Mtg Packet
7.	4/29/09	Clark	What is the cost for more jail beds?	EPD/CS-Muni Court	5/13/09 Packet
8.	4/29/09	Clark	What is the attrition rate for Police compared to other places? What more can we do to retain the best officers?	EPD	5/13/09 Mtg Packet
9.	4/29/09	Clark	What is the cost to add 5 new police officers?	EPD	5/13/09 Mtg Packet
10.	4/29/09	Barofsky	How much of the FY10 support for Neighborhood Matching Grants is derived from prior year carryover and how much is new funding?	PDD	5/13/09 Mtg Packet
11.	5/6/09	Ruiz/ Clark	What is the status of the funding for Buckley House in FY10? Beyond FY10? What happens to Eugene's contribution if the facility closes?	PDD/Lane County	5/18/09 Handout at Meeting
12.	5/6/09	Clark	Provide information on the annual homeless count, particularly data on how long respondents have been in the community.	PDD/Lane County	5/18/09 Handout at Meeting
13.	5/6/09	McDonald	What is the assessment portion of the Maple-Elmira Road project?	PW	5/13/09 Mtg Packet
14.	5/6/09	Clark	Provide a breakout of the Police Auditor's budget.	CS-Finance	5/13/09 Mtg Packet
15.	5/6/09	Barofsky	Are stimulus funds available for Small Business Development Loan programs?	PDD	5/13/09 Mtg Packet

#	Date Asked	BC Member	Question	Dept/Div	Response Date
16.	5/13/09	Zelenka	What are the pros and cons of releasing the 15 beds currently reserved for the Municipal Court inmates for use by the general jail population?	CS-Municipal Court	5/18/09 Handout at meeting
17.	5/13/09	Poling	How much would it cost to house the Municipal Court inmates in the Springfield Jail vs. Lane County Jail?	EPD/CS-Muni Court	See response to question #7 in 5/13/09 Mtg Packet
18.	5/13/09	Poling	What was the exact language of the motion to not use the Facility Reserve for any purposes as part of the FY10 proposed budget? Does this restriction apply to the Budget Committee, as well as the City Manager?	CS - CMO	5/18/09 Mtg Packet
19.	5/13/09	Clark	What funds are being spent by the City currently on activities associated with the future use of the Facility Reserve, i.e. police facility/City Hall planning?	CS - Facilities	5/18/09 Mtg Packet
20.	5/13/09	Zelenka	Is it possible to open a smaller pod in the County Jail?	EPD/CS-Muni Court	5/18/09 Mtg Packet
21.	5/13/09	Zelenka	What is the feasibility of using the Facility Reserve to fund five additional police officers at an annual cost of \$730,000; increase HSC funding by \$166,000; and increase jail bed funding by \$1.6 million?	CS - Finance	5/18/09 Mtg Packet
22.	5/12/09	Holser	Roads and Crest Drive: Has that been settled. Do you have financial data on that population, age, median income, employment? Will they need help with assessments? Will it be available? Will any homes be foreclosed? Was that originally not an arterial that is now functioning that way for most traffic? Should not that be borne by a larger number of uses, just frontage as traditional? Our assessment practices are out date. What do we do to change them?	PW	5/18/09 Mtg Packet
23.	5/12/09	Holser	What amount of city's contribution to the public safety beds will be used for alcohol and drug treatment and education if any?	EPD/CS-Muni Court	5/18/09 Mtg Packet
24.	5/12/09	Holser	Increased revenue from licensing fees, above a cap set in 07, will not go to animal control, according to certain city staff. Any extra revenue would go to other services, and that current revenue in the cap would also go elsewhere. Clarify this situation.	CS-Finance	5/18/09 Mtg Packet
25.	5/12/09	Holser	Stimulus Funding - Are applications entirely up to divisions, funds? How does that work?	CS-CMO	5/18/09 Mtg Packet

#	Date Asked	BC Member	Question	Dept/Div	Response Date
26.	5/12/09	Holser	In-House attorney; I support that reform, but, on what information, other than comments by the present private attorney for, doing our business did we get the information that we would need 3 more attorneys to contract from outside our staff? It seems that the current firm would have a strong interest in continuing some business. Did we use other data we have on the need or that of other cities. Given our reduction in our liability fund, it would seem we would have less need for outside attorneys. If we can demonstrate the extra need, I would like to know why. Perhaps this is a done deal, but maybe our experience in house will tell. If available I would like to see any data other than that of our presented contracted group if it is available.	CS-CMO	5/18/09 Mtg Packet
27.	5/12/09	Holser	What are the qualifications and backgrounds of the private group now charged with conducting drug treatment evaluations on offenders? What is their budget and how much county or city funds do they receive? Their relationship with city and county courts? Evidence based practice experience? And any city or county evaluation of the service, and source of payments for indigent offenders. Originally it was from state beer tax. Is that so?	CS-Municipal Court	5/18/09 Mtg Packet
28.	5/13/09	Potwora	Provide more background / rationale on the Staff motion to remove right-of-way fees, adding interfund transfers and add 1.4MM of local gas tax?	PW	5/18/09 Mtg Packet



MEMORANDUM

Date: May 14, 2009
To: Budget Committee Members
From: Kitty Murdoch
Subject: Some Answers to Your Information Requests

12.	5/6/09	Clark	Provide information on the annual homeless count, particularly data on how long respondents have been in the community.	PDD/Lane County
-----	--------	-------	---	-----------------

The most recent data collected the Lane County Human Services Commission indicates that only 5% of homeless people were from outside of Lane County:

	Last address prior to enrollment		Clients by percentage of verified address	
	Individuals	Households	Individuals	Households
Eugene	6,857	5,504	78%	82%
Springfield	505	291	6%	4%
Lane County Rural	1,011	647	12%	10%
Outside Lane County	399	272	5%	4%
Total Verified Addresses	8,772	6,714	74%	72%
Address not Verified	3,012	2,608	26%	28%
Total	11,784	9,322	100%	100%

18.	5/13/09	Poling	What was the exact language of the motion to not use the Facility Reserve for any purposes as part of the FY10 proposed budget? Does this restriction apply to the Budget Committee, as well as the City Manager?	CS - CMO
-----	---------	--------	---	----------

On Thursday morning (5/14/09), staff in the City Manager’s Office reviewed the webcast of the February 11, 2009 city council meeting. Here is the motion from Councilor Poling:

Move/second: Poling/Solomon

“I move to direct the City Manager 1) to develop a conceptual plan and estimate for (a) making seismic upgrades to city hall to meet the life/safety standard, and (b) expanding municipal court’s space to meet the court’s needs; 2) to use appropriated but unspent city hall complex master plan funds to complete an analysis of potential sites owned by the city but limited to downtown, to determine the most suitable site for a Police Facility and return to council with a final recommendation on that location; 3) to develop a cost estimate for a phased Police Facility, rather than a Patrol Facility, with the first phase consisting of space for the patrol function - but designed so that it can be expanded into a building for the entire police department; and 4) to investigate the willingness of EWEB to eventually sell its Administration Building to the City for use as a city hall, and if there is such a willingness, undertake and bring back to council a preliminary analysis of the pros and cons of using that building for city hall.

The City Manager shall return to the council with the information described above by April 15th. Until the Council makes decisions - after receiving the information described above - the city manager should not include in his proposed budget the use of any portion of the facility and to direct the Budget Committee not to include the use of any portion of the Facility Reserves.”

A friendly amendment to direct the city manager to request that EWEB include any directives or intentions to negotiate with the City for the use of their administration building into their ongoing master plan process was accepted.

Vote: Passed 8:0

19.	5/13/09	Clark	What funds are being spent by the City currently on activities associated with the future use of the Facility Reserve, i.e. police facility/City Hall planning?	CS - Facilities
-----	---------	-------	---	-----------------

These are the costs incurred since February of this year on activities associated with the future use of the Facility Reserve relative to City Hall and a Police Facility:

- Approximately \$35,000 for consultant costs to analyze the two potential Patrol Facility sites and to determine the costs of upgrading City Hall to a life safety level of seismic resistance.
- Approximately \$13,000 in staff time (project management).

20.	5/13/09	Zelenka	Is it possible to open a smaller pod in the County Jail?	CS-Muni Court
-----	---------	---------	--	---------------

As described in the response to question 7 in the May 13 packet, it is possible to open smaller units at the jail, such as the intake section (33 beds) or the East Annex (67 beds). Staff is confident that several additional beds, above the 15 we currently purchase for Municipal Court offenders, could be purchased at a cost of \$115 per day if funds were available.

21.	5/13/09	Zelenka	What is the feasibility of using the Facility Reserve to fund five additional police officers at an annual cost of \$730,000; increase HSC funding by \$166,000; and increase jail bed funding by \$1.6 million?	CS - Finance
-----	---------	---------	--	--------------

Facility Reserve	FY10	FY11	FY12	FY13	FY14	FY15
Beginning Working Capital	\$23,000,977	\$13,619,977	\$11,387,665	\$9,045,880	\$6,590,327	\$4,018,470
Interest on Investments	\$115,000	\$168,291	\$133,683	\$97,394	\$59,386	\$19,680
Transfer to Road Fund	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0
Transfer to the General Fund:						
- 5 New Police Officers	(\$730,000)	(\$593,985)	(\$623,684)	(\$654,868)	(\$687,612)	(\$721,992)
- Jail Beds	(\$1,600,000)	(\$1,636,800)	(\$1,677,720)	(\$1,719,663)	(\$1,760,935)	(\$1,797,915)
- HSC Funding	(\$166,000)	(\$169,818)	(\$174,063)	(\$178,415)	(\$182,697)	(\$186,534)
City Hall Seismic Upgrades	(\$6,000,000)	\$0	\$0	\$0	\$0	\$0
Ending Working Capital	\$13,619,977	\$11,387,665	\$9,045,880	\$6,590,327	\$4,018,470	\$1,331,710

NOTES:

1. FY10 Beginning Working Capital, Interest on Investments and Transfer to Road Fund amounts are based on the FY10 Proposed Budget.
2. Reserve for City Hall seismic upgrades is estimated at \$6.0 million per 4/22/09 City Council Work Session AIS on Next Steps on Facility Reserve and is assumed to be expended in FY10.
3. Interest on Investments assumes the following interest rates: FY11 - 1.5%, FY12 - 2.0%, FY13 - 2.5%, FY14 - 3.0%, FY15 - 3.5%.
4. Five New Police Officers - FY10 includes one-time startup costs of \$164,300. Ongoing costs associated with new positions are assumed to increase at 5% per year in FY11-15 due to the cost of health/retirement growing at a higher rate than general inflation.
5. FY11-15 transfer amounts to the Lane County to support additional jail beds and provide additional HSC funding assume annual increases equal to the base case general inflation rates, which are as follows: FY11 - 2.3%, FY12 - 2.5%, FY13 - 2.5%, FY14 - 2.4%, FY15 - 2.1%.

22.	5/12/09	Holser	Roads and Crest Drive: Has that been settled. Do you have financial data on that population, age, median income, employment? Will they need help with assessments? Will it be available? Will any homes be foreclosed? Was that originally not an arterial that is now functioning that way for most traffic? Should not that be borne by a larger number of uses, just frontage as traditional? Our assessment practices are out date. What do we do to change them?	PW
-----	---------	--------	---	----

Roads and Crest Drive: Has that been settled? The public hearing before a hearings official is scheduled for May 28. On June 15 the City Council will conduct a Public Hearing on a resolution forming a local improvement district and on June 22 the City Council is scheduled to take action on a resolution forming the Local Improvement District.

Do you have financial data on that population, age, median income, employment? We do not collect this type of demographic information for purposes of establishing a Local Improvement District.

Will they need help with assessments? All property owners have the opportunity to apply for City long-term financing or one of the financial assistance programs; the need for assistance would be determined subsequent to such applications. At this time, we have no information as to how many owners would meet the criteria for financial assistance.

Will it be available? There are several financial assistance programs available to property owners. Both the City and the State have deferral programs that are based on age and income. In addition, the City has a subsidy program based on income with subsidies ranging from 1/3 to 5/6 of the total assessment. Additional information regarding these programs is available at the Public Works website at: http://www.eugene-or.gov/portal/server.pt/gateway/PTARGS_0_2_308099_0_0_18/StreetandAleyAssessPaymentProgram.pdf

Will any homes be foreclosed? We are not aware of any homes that would be foreclosed as a direct result of the project.

Was that originally not an arterial that is now functioning that way for most traffic? Last fall, the City Council considered testimony regarding the appropriate classifications for Crest Drive, Storey Drive, and Friendly Street and concluded they should be classified as local streets.

Should not that be borne by a larger number of uses, just frontage as traditional? The City of Eugene assessment policy and practice is contained within Chapter IX, Sections 38 and 39 of the City Charter. Specific information as to the applicability of these provisions is available at the Public Works website at: http://www.eugene-or.gov/portal/server.pt/gateway/PTARGS_0_2_175513_0_0_18/local_street.pdf

Our assessment practices are out date. What do we do to change them? The assessment procedure is governed by general ordinance adopted by a 2/3 majority of the Council - any changes become effective six months after adoption.

23.	5/12/09	Holser	What amount of city's contribution to the public safety beds will be used for alcohol and drug treatment and education if any?	EPD/CS-Muni Court
-----	---------	--------	--	-------------------

The 2-year funding agreement between Eugene and Lane County exchanged a total of \$4.5 million over the two year period, ending June 30, 2010.

The chart below shows the funding allocation within the county. Alcohol and drug treatment services were included in this agreement. Drug treatment services are not included in the Municipal Court's 15-beds purchase. Judges often mandate that offenders complete treatment programs. The treatment fee is paid at the offender's expense and not the City's.

Service Description	FY 08-09			FY09-10		
	County \$	City \$	Total	County \$	City \$	Total
48 Jail Beds	500,000	613,385	1,113,385	350,000	840,320	1,190,320
Prosecution Svcs (2 Attys/2Secty)	0	450,000	450,000	0	481,094	481,094
Buckley House Sobering/Detox	0	326,525	326,525	0	349,088	349,088
Phoenix 16 Juvenile Treatment Beds	0	475,000	475,000	0	507,823	507,823
Intensive Day Treatment for 60 Youths	0	221,000	221,000	0	235,765	235,765
Total	500,000	2,085,910	2,585,910	350,000	2,414,090	2,764,090

24.	5/12/09	Holser	Increased revenue from licensing fees, above a cap set in 2007, will not go to animal control, according to certain city staff. Any extra revenue would go to other services, and that current revenue in the cap would also go elsewhere. Clarify this situation.	CS-Finance
-----	---------	--------	--	------------

The City of Eugene contracts with Lane County Animal Services for enforcement, animal shelter and adoption, dog licensing and registration and cattery services. The contract for FY10 is \$942,000, comprised of \$257,000 in revenue from dog licenses and \$685,000 in a payment from the General Fund. The General Fund portion of the funding was increased \$13,000. The license revenue dedicated to the service remained at \$257,000.

LCAS staff have undertaken a considerable effort in the past year to increase compliance with dog licensing via canvassing. The benefits from this activity are two-fold. More animals are registered, thus in compliance with the law and those animals are more easily returned to owners. The canvassing also increases the amount of dog license revenue. The City of Eugene participated financially in the canvassing effort this fiscal year by paying LCAS up to \$40,000 in one-time money to cover electronic licensing, facility improvements and public awareness.

License revenue has increased as a result of the efforts of LCAS staff, from approximately \$200,000 annually to an estimated \$230,000 this fiscal year. Lane County staff and staff from the City's Central Services Department discussed the County's proposal to amend the contract and eliminate the cap of \$257,000 on license revenue beginning in FY10. City staff did not support this proposal since it would result in increased funding for the same level of service at a time when the General Fund is facing a \$12 million funding gap. In addition, there are components of the \$12 million General Fund balancing strategy which incorporate recognition of additional revenues in other city services such as library and recreation with no additional spending allocation for those services. They are expected to cover more of their direct costs. It would be possible to use all license revenue to support animal control services and make a corresponding reduction in the amount of the General Fund payment. As an example, if the license revenue is capped at \$300,000 or \$43,000 more than the current cap, the General Fund payment is reduced by \$43,000 to \$642,000. This keeps the total funding for animal control services constant for the same level of service and does not exacerbate the General Fund financial gap.

25.	5/12/09	Holser	Stimulus Funding - Are applications entirely up to divisions, funds? How does that work?	CS-CMO
-----	---------	--------	--	--------

City staff are actively working to secure as much economic stimulus funding as we can from the American Recovery and Reinvestment Act of 2009 (ARRA). We have deployed teams of people across the organization to analyze the unique and divergent requirements for each funding source and to seek matches between the very specific rules associated with each funding source and projects that will meet those requirements. This is being done on a continuing basis; grants are being submitted right now to meet deadlines that close before rules are even developed for other stimulus funding sources.

The ARRA is creating a large, complex and dynamic system spanning many different state and Federal agencies, and the City is making it a high priority to navigate it effectively and stay ahead of the game. Our teams will continue to actively seek and apply for all the funding for which we can credibly qualify.

26.	5/12/09	Holser	In-House attorney; I support that reform, but, on what information, other than comments by the present private attorney for, doing our business did we get the information that we would need 3 more attorneys to contract from outside our staff? It seems that the current firm would have a strong interest in continuing some business. Did we use other data we have on the need or that of other cities? Given our reduction in our liability fund, it would seem we would have less need for outside attorneys. If we can demonstrate the extra need, I would like to know why. Perhaps this is a done deal, but maybe our experience in house will tell. If available I would like to see any data other than that of our presented contracted group if it is available.	CS-CMO
-----	---------	--------	--	--------

The renegotiated contract with the law firm does not assume that the firm will be providing 3 (or more) FTE worth of legal assistance. Instead, the contract generally provides that the City may hire up to 3 in-house attorneys, and that work not performed by the in-house attorneys generally will be performed by the law firm.

Based on history, it is likely that there will be work that needs to be handled by attorneys outside the in-house city attorney's office. If litigation is down, if requests for legal assistance from departments are down, then the amount of work going to (and payments to) the law firm also would be reduced. The renegotiated contract does not guarantee any amount of work or revenue to the law firm. The City will pay the firm by the hour for work that the firm does; if there is no work that the firm needs to do in a month, then the City would not pay the firm anything for that month.

27.	5/12/09	Holser	What are the qualifications and backgrounds of the private group now charged with conducting drug treatment evaluations on offenders? What is their budget and how much county or city funds do they receive? Their relationship with city and county courts? Evidence based practice experience? And any city or county evaluation of the service, and source of payments for indigent offenders. Originally it was from state beer tax. Is that so?	CS- Municipal Court
-----	---------	--------	---	---------------------------

The firm, Quality Research Associates was recently awarded the contract to perform drug assessments for all of the courts, including Eugene’s Municipal Court. There is no charge to the City for their assessments. The firm collects a \$150 fee from the client for each referral from the Courts. Judges make the referrals. The contract is administered by the Municipal Court and the contract was awarded based on a competitive solicitation that included evaluation of the contractor’s experience, training, and qualifications. For more information, contact Jeff Perry, Municipal Court Administrator (AIC), at 682-5019.

28.	5/13/09	Potwora	Provide more background / rationale on the Staff motion to remove right-of-way fees, adding interfund transfers and add 1.4MM of local gas tax?	PW
-----	---------	---------	---	----

When staff submitted information in February 2009 for the FY10 manager’s proposed budget, several prospective revenue sources were included to address a deficit in the road operating fund. These prospective revenue sources included a proposed 8 percent right of way charge on the City’s stormwater and wastewater utilities. At the time, the entire anticipated \$2.8 million revenue from the local gas tax in FY10 was included in the road capital budget.

Subsequent to the submittal of information for the draft budget, the council modified the package of prospective revenue options. The 8 percent right of way charge on City utilities, which was estimated to generate approximately \$1.7 million in revenue to the road fund, was changed to a \$500,000 transfer of stormwater and wastewater funds. More details on that action can be found at <http://tinyurl.com/qwa9zh>. The budget amendment recognizes the need to change the \$1.7 million revenue to \$500,000.

The City Manager, recognizing that even in the best case the modified package of road revenue options would fall short of the projected \$2.8 million shortfall in the FY10 road operating fund, in April signaled to the council that he proposed to use \$1.4 million -- half of next year’s local gas tax revenues – to help balance the road operating fund. The budget amendment accomplishes this by moving \$1.4 million from road capital to the road operating fund.

It might be worth noting that another revenue option, originally proposed as 10 percent solid waste hauler surcharge estimated to generate \$1.8 million in FY10, was subsequently modified to a 5 percent surcharge (raising about \$900,000 in FY10), and the council declined to approve that, pending budget committee discussion. This is the subject of John Barofsky’s intended motion regarding the surcharge.

Public Correspondence

May 14, 2009

City of Eugene Budget Committee - Public Comment

From: donotreply@ci.eugene.or.us
Sent: Wednesday, May 13, 2009 9:11 PM
To: *Eugene Budget Committee
Subject: Message from the Web Site

A message has been sent from the public website.

Sender Name : Paul Conte
Sender Email : pconte@picante-soft.com

Sender Message : Re: County Commissioners Sorenson and Handy presentation re Public Safety.

1. Councilors Clark and Poling got to the heart of the matter. The County has SRS funds that were intended to restore public safety and road maintenance, but Commissioners Sorenson, Handy and Fleenor are working hard to use the funds for other purposes. Sorenson and Handy's request for \$1.6 million to open the 84-bed "pod" could, and should be covered by the SRS funds.

(I hope City staff will provide the Budget Committee with a "reality check" on some of the numbers related to SRS funds that Commissioners Handy and Sorenso provided. I believe a number of the figures were inaccurate or skewed.)

I've discussed this issue with both Peter Defazio and the head of Wyden's Eugene office, and both have expressed (putting it mildly) unease with the three commissioners handling of the SRS funds. The Eugene Budget Committee should not be complicit in the misuse of these funds that the three commissioners are attempting to pull off -- especially at the expense of Eugene taxpayers.

2. Councilor Clark also got it right about putting the City's contracted 15 beds into the general "matrix" pool. The result would simply be that most or all of the 15 beds would be filled by higher risk offenders and few or none of the beds would be used to house City offenders.

In terms of outcomes, this is probably preferable for minimizing the threat from released offenders. However, all it amounts to is the City funding 15 beds for the County. Further, without adequate capacity for City offenders, as Councilor Clark accurately observed, the City Municipal Court will not be able to fulfill it's responsibility.

Thank you all for your hard work on the Budget Committee.

Paul Conte
1461 W. 10th Ave.
Eugene, OR 97402