

MINUTES

Eugene Budget Committee
Bascom-Tykeson Room—Eugene Public Library—100 West 10th Avenue
Eugene, Oregon

February 22, 2012
5:30 p.m.

PRESENT: Claire Syrett, Chair; Shanda Miller, Vice Chair; John Barofsky, Ken Beeson, George Brown, Chelsea Clinton, Pat Farr, Laura Illig, Andrea Ortiz, George Poling, Chris Pryor, Mark Rust, Doug Smith, Betty Taylor, Alan Zelenka, members; Mayor Kitty Piercy; City Manager Jon Ruiz; Assistant City Manager/Planning and Development Director Sarah Medary; City Attorney Glenn Klein; Central Services Director Kristi Hammitt; Police Chief Pete Kerns, Public Works Director Kurt Corey; Library, Recreation, and Cultural Services Director Renee Grube; Jan Bohman, Mia Cariaga, Sue Cutsogeorge, Pavel Gubanikhin, Larry Hill, Twyla Miller, Kelly Osborn, Central Services Department; Mike Magee, Library, Recreation, and Cultural Services; Lori Kievith, Eugene Police Department.

ABSENT: Mike Clark, member.

I. OPENING REMARKS

Ms. Syrett called the meeting of the Eugene Budget Committee to order.

II. GENERAL FUND FORECAST UPDATE

City Manager Ruiz reminded the committee that he planned to present the budget earlier than normal to ensure that it was offered in the full context of the City's financial situation and to set the stage for future sustainable budgets.

Ms. Cutsogeorge led the committee through a PowerPoint presentation that provided updated information about the General Fund forecast. The presentation highlighted anticipated budgets and demonstrated how the strategy more closely aligned revenues and expenditures.

Mr. Barofsky asked if the forecast accounted for one-time funding, such as the revenues from surplus property sales and street vacations. Ms. Cutsogeorge indicated those revenues were not generally directed toward the General Fund. Revenues from recent transactions were not yet built into the budget because they had not been received.

III. CITY MANAGER'S FY13 BUDGET STRATEGY PRESENTATION

City Manager Ruiz then led the committee through his recommended budget strategy. He reminded the committee of the City's budgeting approach, which was to maintain services, minimize the impact of

reductions on employees, create a stable budget, minimize fee increases, maintain a responsible reserve, make strategic investments, and ensure the budget was aligned with the council's goals.

Ms. Miller arrived.

City Manager Ruiz anticipated the one-time appropriation in fiscal year 2012 for jail beds would be an ongoing addition. Ms. Ortiz asked for a report about the expenditure's effectiveness.

City Manager Ruiz reviewed his proposed reductions, which included elimination of the second fire company at Fire Station 2; reductions in the animal services contract with Lane County; a one-year elimination of the City's dues payment to the Lane Regional Air Protection Agency (LRAPA); a one-year elimination of the dues payment to the Lane Council of Governments (LCOG); branch library hour reductions; reductions in human services funding; reduced natural area maintenance; reorganizations; revenues increases and funding shifts; administration changes, including the elimination of cost-of-living adjustments for non-exempt employees; and internal service fund changes. City Manager Ruiz anticipated that 20 positions would be eliminated, although not all were currently filled, and indicated some involuntary layoffs would occur. He said the City would have the fewest FTE per capita in 25 years.

City Manager Ruiz acknowledged that the budget did not represent where the organization wanted to be, but the committee's decisions over the last few years had allowed the City to move forward in a way that aligned the budget behind council goals while minimizing impacts and maintaining a stable budget.

Committee members asked questions clarifying the details of the reductions proposed by City Manager Ruiz.

IV. INFORMATION REQUESTS, NEXT STEPS

Ms. Syrett solicited information requests.

Ms. Ortiz noted pending reductions facing Kids First, a forensic evidence collection for abused children operated by Lane County that was used by the Eugene Police Department (EPD) and expressed hope the City could contribute to the cost of maintaining the service. She asked staff to calculate the cost to the EPD of providing that service internally.

Mr. Farr noted that the proposed \$175,000 reduction for human services was equal to the one-time funding allocated for the follow-up to Occupy Eugene. He did not favor the proposed reduction and suggested that private funding be sought for the follow-up programs being discussed by the Opportunity Eugene Task Force. He pointed out the allocation to human services leveraged other dollars.

Responding to a question from Mr. Barofsky about the role of the committee, City Manager Ruiz did not think the role of the committee had changed because the process was shorter. Mr. Barofsky expressed concern that the committee lacked information about the other reductions considered by staff and could not propose alternative reductions to the staff-recommended reductions. He asked that the committee be provided with all the reductions staff considered. City Manager Ruiz agreed, and also encouraged the committee members to ask staff to quantify their proposals.

Ms. Ortiz asked City Manager Ruiz to contact LRAPA to discuss what the City could do for the agency on an in-kind basis.

Ms. Ortiz asked staff to identify reductions in Lane County government that would impact the City.

Mayor Piercy suggested that staff frame the animal services issue in terms of the internal focus on reorganization, and observed that potential changes to the service had been discussed for some time because no one believed the current model was perfect. She also suggested that the City contact the State about LRAPA's funding situation because she believed that the agency's continued existence was in the interest of the State Department of Environmental Quality.

Mr. Farr recalled the \$300,000 the council allocated to Occupy Eugene and asked for an accounting of that funding as it regarded its sources, the expenditures made, and the remaining balance.

Responding to a question from Ms. Syrett about employee layoffs, City Manager Ruiz indicated he could not share more information at this time because of the City's contractual obligations to its unions, which includes a notice process and procedures.

Ms. Syrett asked staff to provide the committee with a list of proposed fee increases.

Ms. Taylor did not mind reductions at the branch libraries but objected to the reduction proposed to LRAPA because the agency affected the community's air quality. She felt it was important to continue the City's League of Cities membership.

Ms. Ortiz asked City Manager Ruiz to schedule a council work session about the recommendations of the Council Committee on Human Services Funding Task Force as she believed those recommendations were relevant to the proposed budget. She also asked that the committee's final report be provided to the committee. Ms. Ortiz requested more detailed information about the manager's recommendation regarding the reduction of a fire crew.

Mr. Rust requested more information about the proposed reduction in natural area maintenance.

Mr. Barofsky requested a breakdown of the changes in the Internal Service Funds. He also requested an update about City funds that were previously considered financially troubled, citing specifically the Ambulance Transport Fund, Road Fund, and Parking Services Fund.

Mayor Piercy suggested the council form a subcommittee to review the budget for council travel.

Ms. Taylor wanted the committee to discuss new sources of revenue and encouraged members to review the Meeting the Challenge Task Force report. Mr. Smith concurred.

Mr. Poling requested patron figures for the branch libraries, the types of activities offered at the branches versus those offered at the main library, which activities would cease as a result of reduced hours, and how the addition of branch library patrons would impact the main library and its services.

Mr. Zelenka requested an analysis of the proposed reduction on LRAPA.

Ms. Syrett adjourned the meeting at 7:28 p.m.

(Recorded by Kimberly Young)